

ANNUAL REPORT 2012





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Financial Highlights

Unit : Million Baht	2010 [#]	2011 [#]	2012 [#]
Sales Revenues	12,877	14,100	16,933
Total Revenues	13,019	14,191	17,090
Gross Profit	2,222	2,896	2,878
Income before Financial Cost	1,520	2,002	1,813
Net Profit	1,509	1,989	1,692
Depreciation	895	898	1,257
Cash Flow from Operating Activities	2,349	3,138	2,974
Capital Expenditures	2,089	3,272	2,538
Total Assets	16,969	19,624	21,485
Total Liabilities	1,798	3,339	4,688
Total Loan	100	1,400	3,000
Shareholders' Equity	15,171	16,285	16,797
Persons Employed as of Year End	432	464	466

Information per Share & Financial Ratio

Unit : Baht	2010 [#]	2011 [#]	2012 [#]
Earning per Share	1.27	1.68	1.42
Book Value per Share	12.80	13.74	14.17
Dividend per Share (baht/share)	0.70	1.00	*0.856
Net Profit Margin	11.6%	14.0%	9.9%
Return on Average Equity (ROE)	10.3%	12.7%	10.2%
Return on Average Assets (ROA)	9.3%	10.9%	8.8%

[#] Information above were 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 2013.

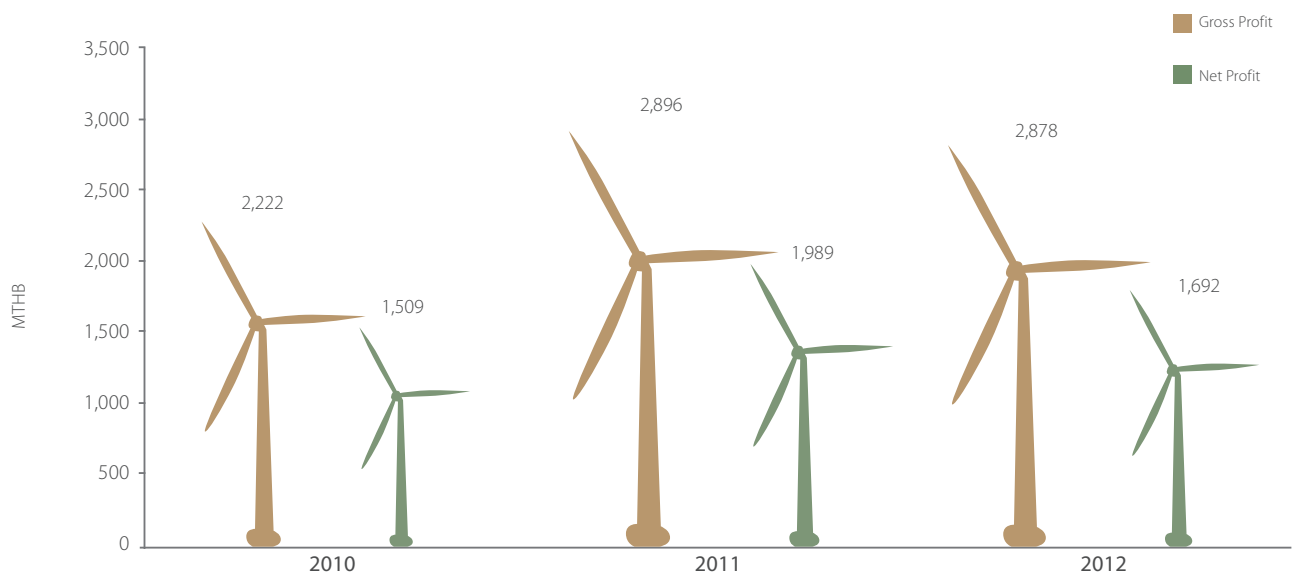
Total Assets



Sales by Products



Net Profit and Gross Profit



Message from the Chairman

What an exciting year!





Dear friends, both inside and outside Vinythai,

In 2012, Vinythai PLC. and its subsidiary Advanced Biochemical (Thailand) Co., Ltd. concluded 5 million construction-hours in erecting the world's first EPICEROL® unit without any significant safety issue arising. At the same time, Vinythai achieved 4 million operation-hours without any lost-time accident in its regular production units. These outstanding safety records result from the daily attention each Vinythai employee pays to his or her work environment in order to make Vinythai a very safe place to work. It is also gratifying to note that these records have been recognized by significant awards from the Ministry of Labour.

Also in 2012, not yet 20 years after production of its first PVC batch, Advanced Biochemical (Thailand), Co., Ltd. Vinythai's subsidiary, successfully launched the first EPICEROL® production unit. And after only a few months of development and process adjustments, the unit was already running at nominal capacity and with the technical approval of all its customers.

A few months later, building on that tremendous success, the Company decided to invest in another EPICEROL® production unit in China which will come on stream at the end of 2014. Vinythai will then be the leader and key player in the Epichlorohydrin market in Asia.

Meanwhile, Vinythai's Caustic Soda and PVC production units continued to break production records month after month. This remarkable achievement continues to bear testimony to the outstanding dedication of all Vinythai personnel to constant process development and improvement. It also testifies to their constant attention to conserving natural resources, notably energy, air and water, and their passion for implementing innovative ideas that lead to improvements. At the end of the day, their efforts clearly show how constantly striving to do better always bears fruits.

There can be no doubt, therefore, that 2012 marked a major milestone in the Company's progress and in the hearts and memories of everyone involved.

I would like to thank you all: Vinythai staff, our neighbors, customers, shareholders, media and all friends and associates, for your continuous support over the past 20 years and particularly in 2012. With this outstanding support from all and each one of you, Vinythai is really on the good track to "KEEP growing with YOU" in the years to come.

With warmest regards,

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

Company Profile





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.

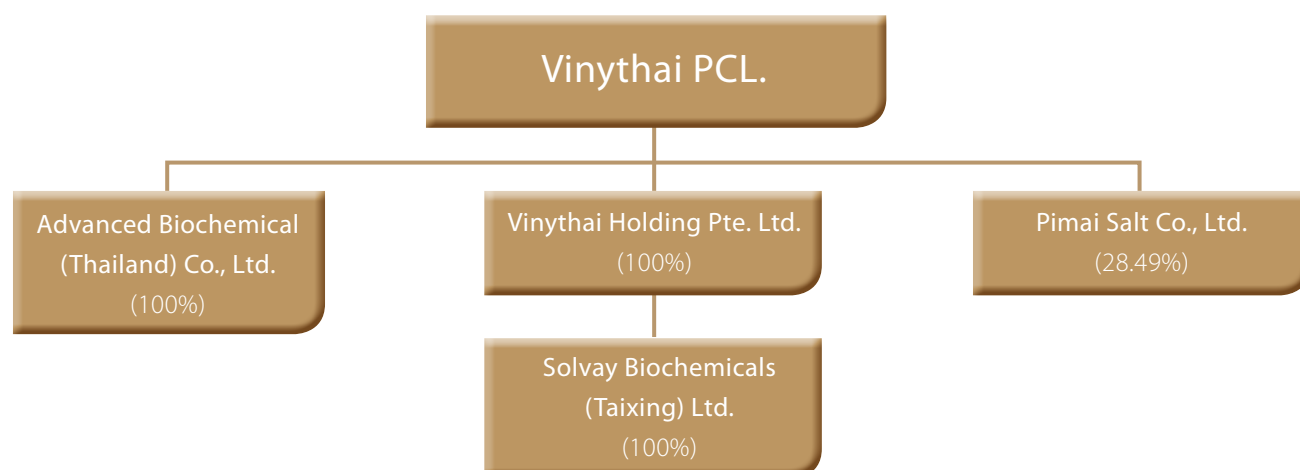
Advanced Biochemical (Thailand) Co., Ltd.

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).

Solvay Biochemicals (Taixing) Limited

The Company manufactures and sells Epichlorohydrin, the same product as Advanced Biochemical (Thailand) Co., Ltd. Shareholders of the Company is Vinythai Holding Pte. Limited, which is incorporated in Singapore. It operates a plant located in Taixing Economic Development Zone, Jiangsu province, People's Republic of China. The main raw materials of this process are Glycerin which is supplied from import and domestic suppliers, Chlorine and Caustic Soda which are supplied from domestic supplier located within the same area.

Shareholding Structure



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	2012		2011		2010	
	MTHB	%	MTHB	%	MTHB	%
Sales in Thailand						
1. PVC Resins	5,439	35.6	5,005	35.5	4,897	38.0
2. Caustic Soda	3,575	23.4	2,657	18.8	1,790	13.9
3. VCM	2,491	16.3	2,852	20.2	2,707	21.0
4. Others	176	1.2	151	1.1	156	1.2
Total sales in Thailand	11,680	76.5	10,665	75.6	9,550	74.2
Sales Abroad						
1. PVC Resins	3,342	21.9	3,333	23.6	3,169	24.6
2. Caustic Soda	246	1.6	18	0.1	93	0.7
3. VCM	-	-	84	0.6	65	0.5
Total Sales Abroad	3,588	23.5	3,435	24.4	3,327	25.8
Sales in Thailand and Abroad						
1. PVC Resins	8,781	57.5	8,338	59.1	8,066	62.6
2. Caustic Soda	3,821	25.0	2,675	19.0	1,883	14.6
3. VCM	2,491	16.3	2,935	20.8	2,772	21.5
4. Others	176	1.2	151	1.1	156.27	1.2
Total Sales in Thailand and Abroad	15,269	100	14,100	100	12,877	100

Income Structure of Subsidiary Company

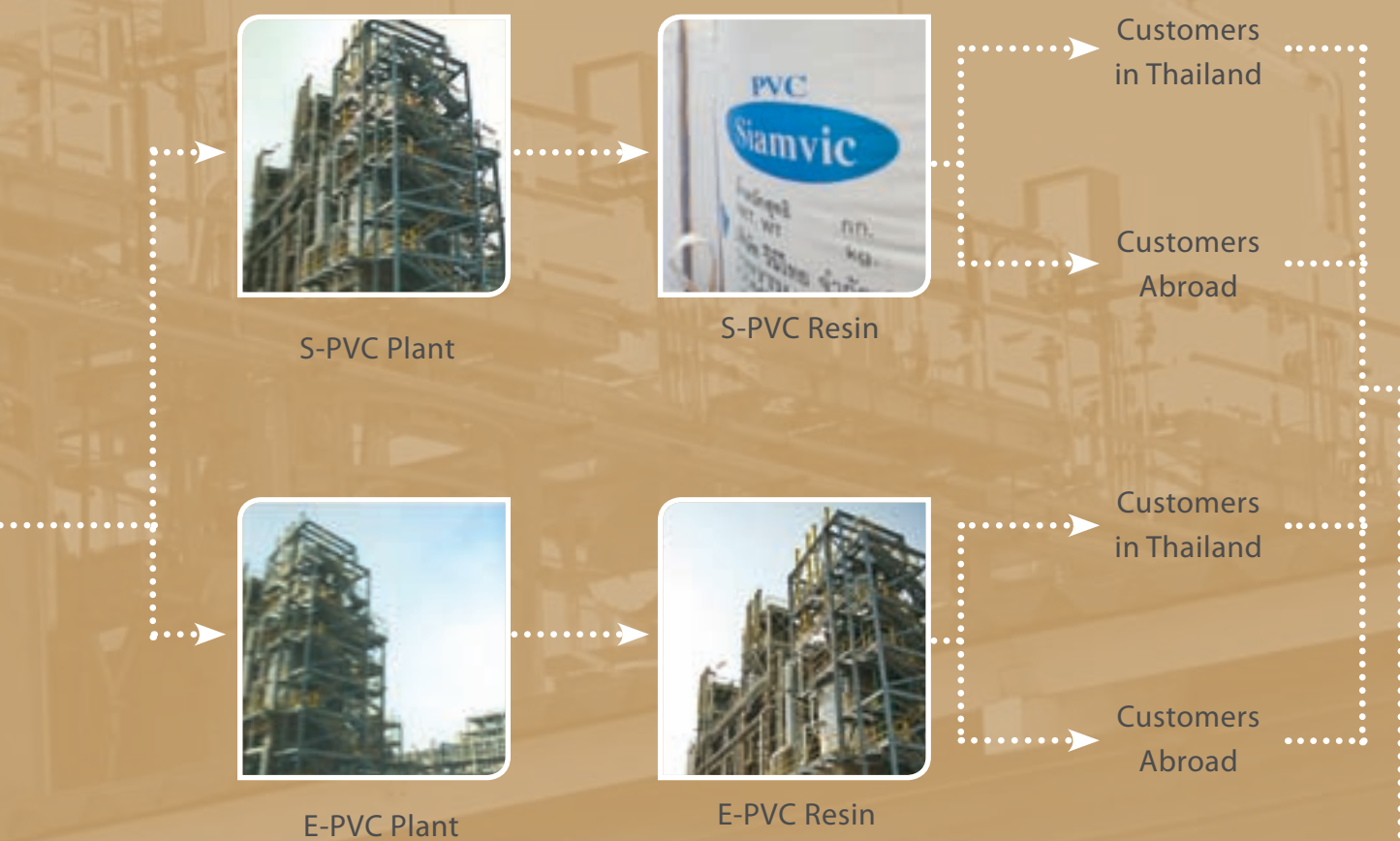
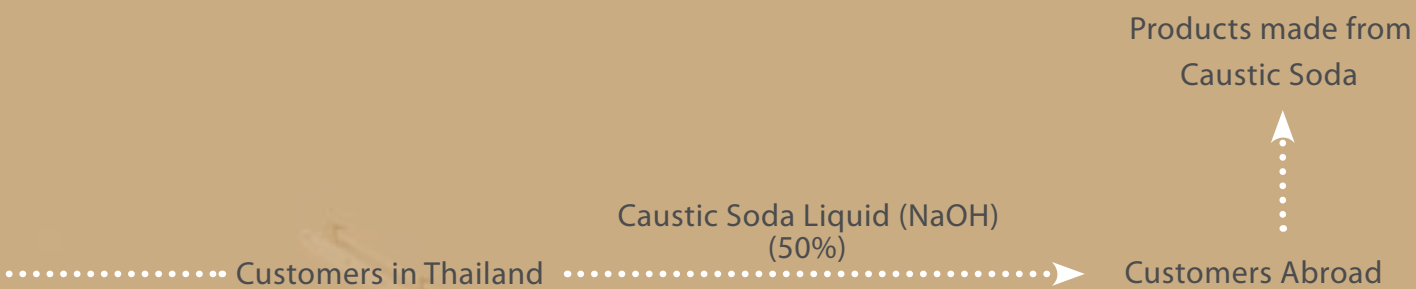
Product / Service	2012		2011		2010	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
Advanced Biochemical (Thailand) Co., Ltd.						
Produce & Supply Epichlorohydrin	1,995	97.4				
Others	54	2.6				
% Shareholding by Vinythai		100		100		100

Income Structure of Associated Company

Product / Service	2012		2011		2010	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
Pimai Salt Co., Ltd.						
Produce & Supply Pure Refined Salt	1,439		1,479		1,410	
% Shareholding by Vinythai		28.49		28.49		28.49

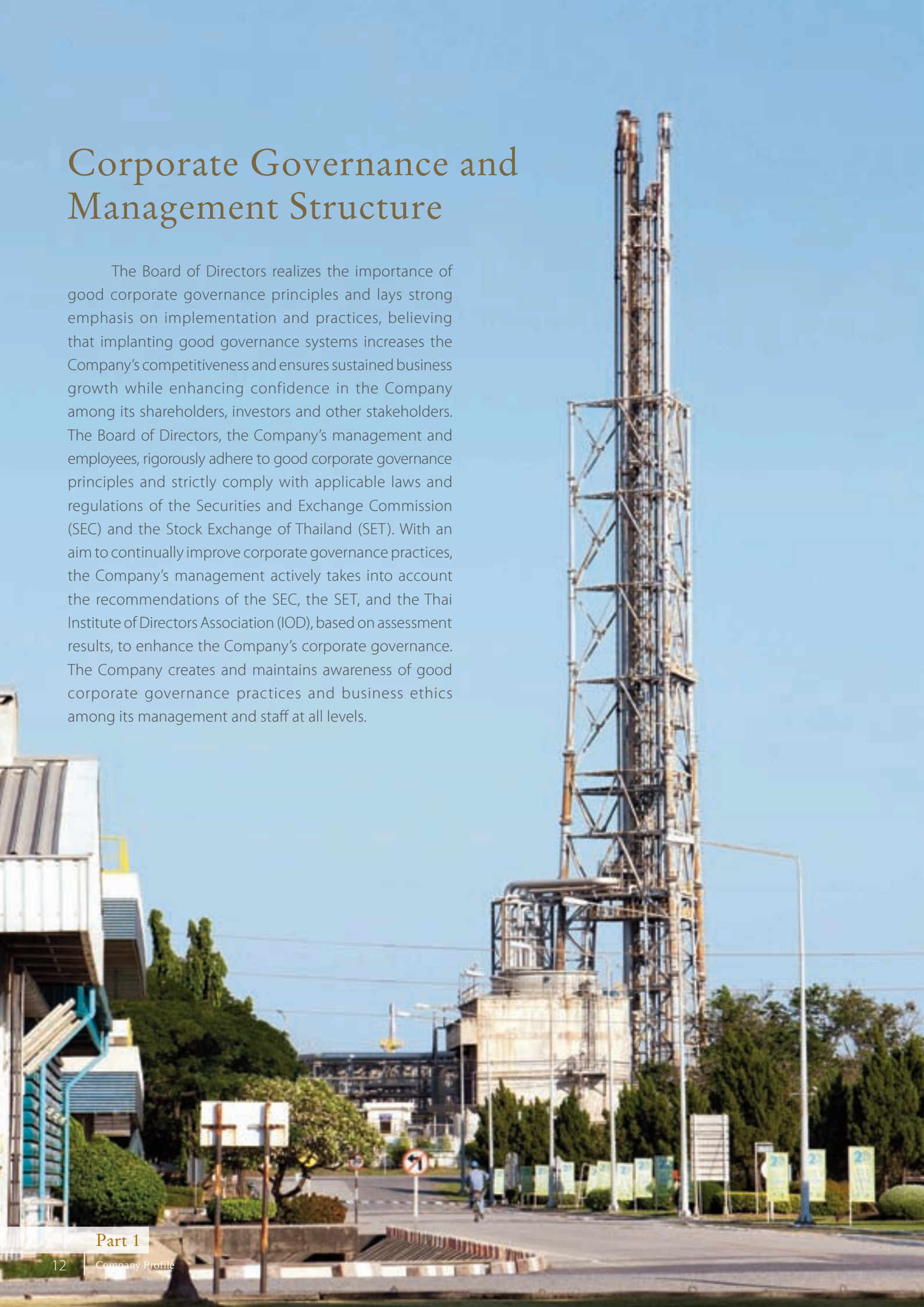
Vinythai is fully Integrated Production Process





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 2012 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 Role of Stakeholders and Disclosure and Transparency. In the evaluation of the Company's arrangement of its Annual General Meeting of Shareholders 2012 by the Thai Investors Association, Vinythai ranked on the list of "Excellent" listed companies.

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's management and employees have complied with the afore-stated policy. 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. Furthermore, in order to reinforce the practices of the corporate governance to become an efficient entity in business management and corporate governance, in the Board meeting held in May 2012, the Board of Directors approved Corporate Governance Charter which includes corporate governance policy, business ethics and guidelines of the principles



of good corporate governance which completely describes the Company's practices towards rights of shareholders, equitable treatment of shareholders, role of stakeholders, disclosure and transparency, and Board responsibilities.

In light of the rights of shareholders, the Company respects the rights of shareholders equally and ensures that all 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 invitation 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 21 February 2012 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 2012, the Annual Ordinary General Meeting of Shareholders was duly held on 27 April 2012. Shareholders presenting either in person or by proxy accounted for 90.37% of the total number of paid-up capital of 1,185,193,444 shares.

- In 2012, 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 23 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 35 days ahead of the meeting and communicated such disclosure through the SET channels. 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 19 December 2011 to 10 February 2012. Shareholders entitled to propose agenda must hold a minimum share not less than 0.01% of total voting rights in the Company and must hold 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 2012 shareholders' meeting. For the upcoming 2013 shareholders' meeting, the Company

allowed shareholders to exercise such right from 9 November 2012 to 30 January 2013. The notification was posted at the Company's website.

- 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. 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 items 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 Board members participated in the meeting included Vice Chairman, the Managing Director, Chairman of Audit Committee, Members of Executive Committee, independent director and other Board

members totaling 6 persons. The Vice Chairman of the Board of Directors acted as chairman of the meeting. In addition, concerned Management was present to answer shareholders' inquiries and provided any clarifications required. To facilitate the shareholders' understanding, a professional interpreter was provided to help translating messages and information discussed in 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.

- In 2012, the Company held once an Extraordinary General Meeting of Shareholders on 24 July 2012, and agenda considered was related to the Company's investment project of production and sale of Epichlorohydrin (ECH) in the People's Republic of China. The Company conducted the meeting in compliance with rules and regulations of the SET and the SEC as above mentioned. Shareholders presenting either in person or by proxy accounted for 89.67% of the total number of paid-up capital of 1,185,193,444 shares. At the meeting, the Chairman of the Board of Directors was present and acted as chairman of the meeting. Other directors participating in the meeting included Vice Chairman, the Managing Director, Chairman of the Audit Committee, Chairman of the Executive Committee, independent directors and other Board members totaling 8 persons. Concerned management were present including the Trinity Securities Company Limited, an Independent Financial Advisor, and Legal Advisor from Linklaters (Thailand) Ltd., to jointly answer shareholder's inquiries and provided further clarifications.

After the AGM Day

- In 2012, the Company notified the resolution of the Annual General Meeting of Shareholders and the resolution of the Extraordinary General Meeting of Shareholders via the SET channel on the same day of the shareholders' meetings. 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 meetings, 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





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.

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 2012 Annual Ordinary General Meeting of Shareholders, shareholders representing 16,041,301 shares assigned proxy rights to the independent director. In the Extraordinary General Meeting of Shareholders, shareholders representing 6,588,950 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

submitted to the SET within 14 days after the date of shareholders' meetings, 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 meetings were 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 initiated by the SEC, with joint support by Thai Investors Association. 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.



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. 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 regulation, 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

The Board of Directors has fully appreciated the value of the support of all groups of stakeholders, recognizing that they all contribute to the Company's competitiveness and corporate profits. Thus, the Corporate Governance Charter approved by the Board of Directors promotes practices towards each of various groups of stakeholders. Moreover, the Company's 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.

As it is understood that the participation of stakeholders can have a positive effect on the Company on an ongoing 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 apprised of the importance of risk management, the Company reviews its risk mitigation measures regularly.

Customers

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 comprising representatives from the management and employees monitors and reviews employee benefits to ensure the employees welfare is adequate and secure for them as well 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 conducts people survey every two years that reaches out to staff at all levels, 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

With an effort to protecting environment and developing communities' well-being, the Company was awarded Environmental Corporate Governance Award, ranked as "Excellent Performance". The award was jointly assessed by the Industrial Estate Authority of Thailand and communities in Map Ta Phut area. In addition, the Company was awarded "Green Industry Level 4 - Green Culture" from Ministry of Industry in 2012. To be awarded Green Industry, it demonstrated that the Company adhered to friendly environmental business operation for sustainable development by emphasizing on development and improvement production process as well as continual environmental management including social responsibility both internal and external organization throughout demand chains. To be granted the level of Green Culture proved that the Company obtained well cooperation from employees at all levels to implement friendly environment in all aspects of business operation till it becomes a part of organization culture.



Continual efforts and practices can be summarized as follows:

- 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. The Company also extended its Responsible Care commitment to transportation safety extended to all supply networking chains.

- 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 2012, 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. 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 have been 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 2012 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”.

With a view to enhancing the participation of stakeholders in improving the Company's performance to ensure the sustainability, 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 via the Company's website.

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 and communicated such policy to employees at all levels,

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 policy 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 is 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.

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 Works since September 2009. 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.

With the aim to enhance the commitment to corporate social responsibility, the Company is in progress to apply ISO 26000 Social Responsibility in 2013.

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 both in Thai and in English 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 both in Thai and English 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-dated 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 information such as the Company's news, its vision, mission and values, Articles of Association, corporate governance policy, corporate activities, Board members and sub-committees, and investors news 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 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 2012, the Company recorded 10 visits by investors and analysts as follows:

Type of Visit	No. of visits	No. of companies
One-on-One Meeting	4	4
Group Analyst Meeting	6	12

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 which were posted in the Company's website. With respect to the Company's Corporate Governance Charter, the director may not be directors of more than

five listed companies and must notify the Board of Directors of their positions for acknowledgement and approval.

As of December 2012, the Board of Directors comprises 15 directors.

- 10 directors nominated by major shareholders (Among them, three directors constitute the Executive Committee.)

- 5 independent directors (Among them, three are appointed as Audit Committee members.)

Of the 15 directors, five are currently non-resident in Thailand.

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.

Independent Director

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;

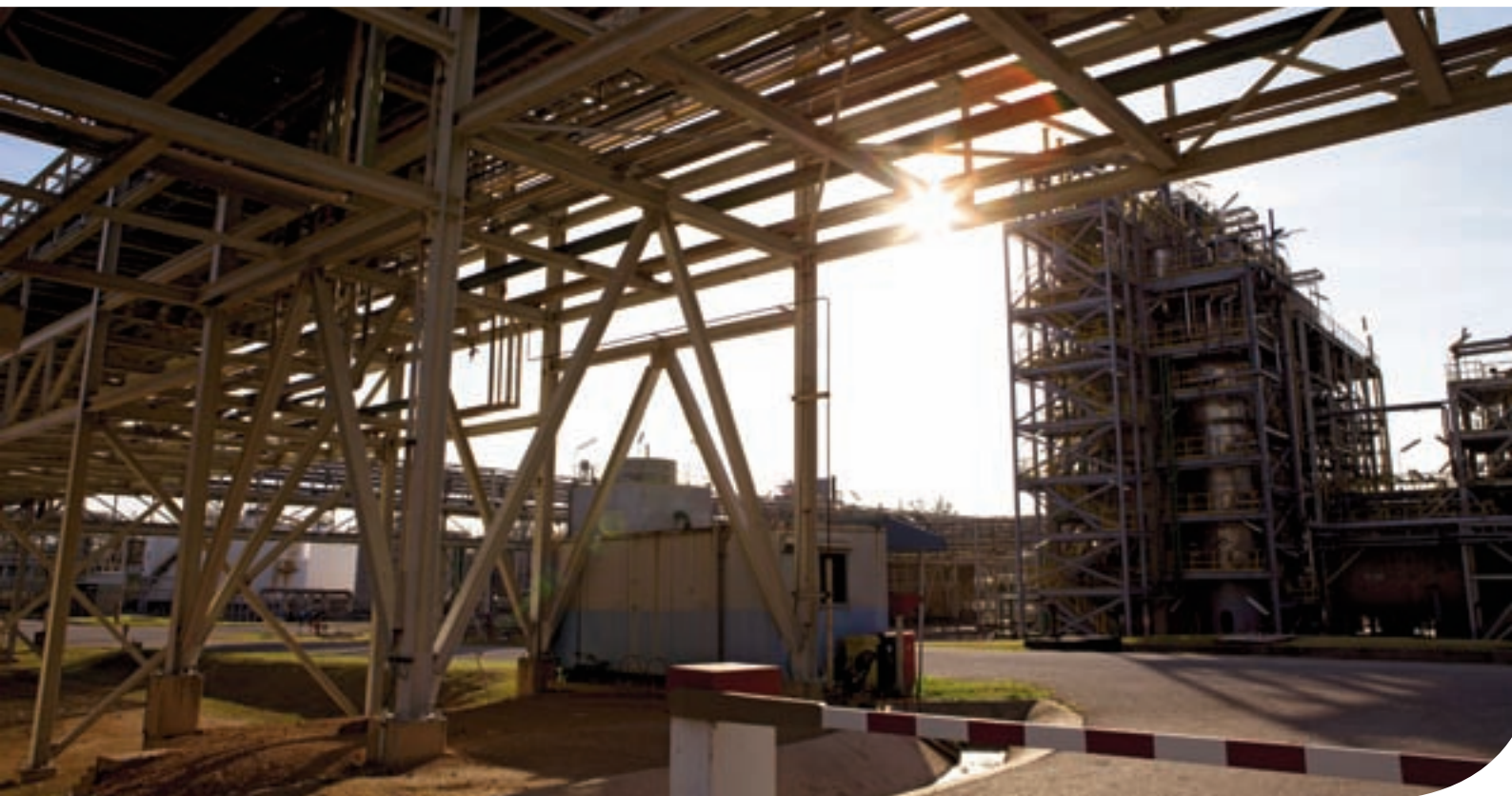
- (2) neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended 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 judgement, 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 shareholders or shareholders who are related to the company's major shareholders;

(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.

It is the policy of the Board of Directors that the Chairman and Managing Director should not be the same person. This is to ensure clarity of responsibilities for issuing governance policy and undertaking the Company's management. Although the Chairman of the Board and the Managing Director both represent one of the Company's major shareholders, Solvay Vinyls Holding AG, the current structure of the Company's Board also includes representation of the other major shareholder, PTT Global Chemical Plc., and five independent directors.

This arrangement creates a balance of power that ensures fair oversight of the Company's administration. Even though, 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 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.

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 2012, 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 at December 2012, the Audit Committee comprises the following members:

1. Mr. Pipop Pruecksamars	Chairman
2. Mr. Pote Videtyontrakich	Member
3. Assoc. Prof. Danuja Kunpanitchakit, Ph.D.	Member
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 the Company's website.

The Audit Committee is authorized to perform the following duties:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate

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

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

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

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

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

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

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 2012, it held totally six meetings, comprising four meetings on quarterly basis, one extraordinary meeting, and one non-management meeting. The non-management meeting between the Audit Committee and external auditor was annually 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 2012 are disclosed in the Company's Annual Report and Form 56-1.

The Nomination and Remuneration Committee:

As at December 2012, the Committee comprises directors as follows:

- | | |
|-----------------------------|----------|
| 1. Mr. Roger Lester Kearns | Chairman |
| 2. Mr. Anon Sirisaengtaksin | Member |
| 3. Mr. Pipop Pruecksamars | Member |

The Nomination and Remuneration Committee is authorized to perform the following duties:

1. To consider and determine the remuneration of the directors and other committee members appointed by the Board of Directors as well as position of company secretary. The Committee submits a proposal of the remuneration of the Board of Directors to the annual shareholders' meeting for approval.
2. To determine qualifications of directorial

candidates in accordance with the structure, size and composition of the Board as the Board prescribes

3. To select and nominate qualified candidates for the Board's consideration

As prescribed in the Corporate Governance Charter, at least one member shall be an independent director. The term of office of the Committee is three years and may be reappointed at the discretion of the Board of Directors. In case of any vacancy among the Nomination and Remuneration Committee members occurring otherwise than by rotation, the Board of Directors shall elect as a replacement a person who is not disqualified. Any person appointed shall retain office only for the remainder of the term of the member replaced.

5.3 Roles and Responsibilities of the Board

The Board of 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. 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. Such policy was embraced in the Corporate Governance Charter approved by the Board meeting in May 2012.

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 Nomination and Remuneration Committee as described under Item 5.2.

8. Controlling and overseeing management treatment of all interested parties to ensure that they are ethical and equitable

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

10. Regularly reviewing corporate governance policy

11. Appointing a Company Secretary to assist the Board of Directors related to the Board meetings and shareholders meetings, and to advise the Board and the Company on their conduct according to laws and relevant regulations

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 2012, the training on the code of conduct was organized for executives and all 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 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 Solvay'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 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 2012 is as follows:

Meeting attendance / Total No. of meeting

Name	Board of Directors Total 5 times/year	Executive Committee Total 5 times/year	Audit Committee Total 6 times/year (including the Non-Management meeting)	Nomination & Remuneration Committee Total 1 time/year
1. Mr. Roger Lester Kearns ⁽¹⁾	5/5	5/5	-	1/1
2. Mr. Veerasak Kositpaisal ⁽²⁾	2/2	-	-	1/1
3. Dr. Christian De Sloover ⁽³⁾	2/2	-	-	-
4. Mr. Anon Sirisaengtaksin ⁽⁴⁾	3/3	-	-	-
5. Mr. Bruno van der Wielen	5/5	5/5	-	-
6. Mr. Jacques van Rijckevorsel ⁽¹⁾	5/5	-	-	-
7. Mr. Pote Videtyontrakich	4/5	-	5/6	-
8. Mr. Dominique Dussard ⁽¹⁾	3/5	-	-	-
9. Mrs. Puntip Oungpasuk	5/5	5/5	-	-
10. Mr. Andrew Leonard Cumming ⁽¹⁾	4/5	-	-	-
11. Mr. Pipop Pruecksamars	5/5	-	6/6	1/1
12. Dr. Dhanes Charoensupaya	4/5	-	-	-
13. Mr. Vincenzo Morici ⁽¹⁾	5/5	-	-	-
14. Mr. Andre R. van der Heyden	4/5	-	-	-
15. Mr. Gilles Madjarian ⁽⁵⁾	3/3	-	-	-
16. Associate Professor Dr. Danuja Kunpanitchakit ⁽⁶⁾	3/3	-	4/4	-
17. Mrs. Vallapa Assakul ⁽⁷⁾	3/3	-	-	-

⁽¹⁾ Directors whose residence is outside the Kingdom

⁽²⁾ Resigned from the Company's directorship, vice chairman, and member of Nomination & Remuneration Committee effective from 23 August 2012; therefore the numbers of director meeting are 2 times/year

⁽³⁾ Resigned from the Company's directorship effective from 25 May 2012, therefore the numbers of director meeting are 2 times/year

⁽⁴⁾ Appointed as the Company's director, vice chairman and member of Nomination & Remuneration Committee effective from 24 August 2012; therefore the numbers of director meeting are 3 times/year

⁽⁵⁾ Appointed as the Company's director effective from 25 May 2012; therefore the numbers of director meeting are 3 times/year

⁽⁶⁾ Appointed as the Company's independent director and member of Audit Committee effective from 25 May 2012; therefore the numbers of director meeting are 3 times/year, and the numbers of the Audit Committee Meeting are 4 times/year

⁽⁷⁾ Appointed as the Company's independent director effective from 1 August 2012

- Current Executive Committee members are directors number 1, 5, and 9

- Current Audit Committee members are directors number 7, 11, and 16

- Current Nomination & Remuneration Committee members are directors number 1, 4, and 11



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 Nomination and 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 2012, 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 2012, the shareholders approved remuneration for the Board of Directors in the shareholders' meeting, including bonus payments based on the operational results for 2011. The total remuneration for the Board of Directors amounted to 18,474,137 Baht, inclusive of a total bonus payment of 10,930,589 Baht. Details are as follows:

Name	Position	Remuneration	Bonus paid in 2012	Total Remuneration
1. Mr. Roger Lester Kearns	Chairman of the Board, Chairman of Nomination & Remuneration Committee, Executive Committee	840,000	958,823	1,798,823
2. Mr. Veerasak Kositpaisal [®] , ⁽¹⁾	Vice Chairman, Member of Nomination & Remuneration Committee and Director (as of 23 August 2012)	387,097	767,059	1,154,156
3. Dr. Christian De Sloover ⁽²⁾	Director	143,226	767,059	910,285
4. Mr. Bruno van der Wielen	Director and Executive Committee	720,000	511,372	1,231,372
5. Mr. Jacques van Rijckevorsel	Director	360,000	767,059	1,127,059
6. Mr. Pote Videtyontrakich	Independent Director and Audit Committee	720,000	767,059	1,487,059
7. Mr. Dominique Dussard	Director	360,000	767,059	1,127,059
8. Mrs. Puntip Oungpasuk [®]	Chairman of Executive Committee and Director	780,000	767,059	1,547,059
9. Mr. Andrew Leonard Cumming	Director	360,000	767,059	1,127,059
10. Mr. Pipop Pruecksamars	Chairman of Audit Committee, Independent Director and Nomination & Remuneration Committee	780,000	767,059	1,547,059
11. Dr. Dhanes Charoensupaya [®]	Director	360,000	767,059	1,127,059
12. Mr. Vincenzo Morici	Director	360,000	767,059	1,127,059
13. Mr. Andre R. van der Heyden	Independent Director	360,000	767,059	1,127,059
Directors who were appointed during 2012				
14. Mr. Anon Sirisaengtaksin [®] , ⁽³⁾	Vice Chairman, Member of Nomination & Remuneration Committee and Director	212,903	-	212,903
15. Associate Professor Dr. Danuja Kunpanitchakit	Audit Committee and Independent Director	433,548	-	433,548
16. Mr. Gilles Madjarian	Director	216,774	-	216,774
17. Mrs. Vallapa Assakul	Independent Director	150,000	-	150,000
Directors who resigned during 2011				
18. Mr. Guenther Wilhelm Nadolny	Director and Executive Committee	-	255,686	255,686
19. Dr. Santisuk Sanguanruang	Audit Committee and Independent Director	-	767,059	767,059
Grand Total		7,543,548	10,930,589	18,474,137

Note: ⁽¹⁾ Resigned from the Company's directorship, vice chairman, and member of Nomination & Remuneration Committee effective from 23 August 2012

⁽²⁾ Resigned from the Company's directorship effective from 25 May 2012

⁽³⁾ Appointed as the Company's director, vice chairman, and member of Nomination & Remuneration Committee effective from 24 August 2012

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



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In addition to above, as resolved by the Nomination & Remuneration Committee, executive who serves as company secretary is entitled to receive an appropriate additional remuneration due to increased workload. The total of remuneration of the company secretary paid in 2012 was 1,007,059 Baht, comprising total monthly remuneration of 240,000 Baht and annual bonus payment of 767,059 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 2012, the monthly remuneration for three directors who served as executive director was 1,140,000 Baht. This amount was incorporated into the remuneration of the Board of Directors. The total 2012 remuneration for five executives was 47,500,737.21 Baht. 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 responsibilities.

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 2012

The Board of Directors in its meeting No. 6/2011 held on November 17, 2011, resolved to appoint the Company's Audit Committee comprising Mr. Pipop Pruecksamars as Chairman and Mr. Pote Videtyontrakich and Associate Professor Danuja Kunpanitchakit, Ph.D.¹ 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 2012, the Audit Committee held totally six meetings: four ordinary meetings, one extraordinary meeting 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 2012, under Corporate Governance and Management Structure, item 5.4 Board Meetings.

Major activities held during 2012 are summarized as follows:

Review of quarterly and annual financial statements

Reviewed the financial statements and auditor reports, including end-2011 and 2012 quarterly reports, 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

¹ Refer to the Board of Directors Meeting of Vinythai Public Company Limited No. 2/2012, held on 24 May 2012

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 2012 the Audit Committee considered and reviewed the Company's proposed investment in the project of production and sale of Epichlorohydrin in China, and the Patent License Agreement, the Technology License Agreement and the Technical Assistance Services Agreement. 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. Based 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 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.

Reviewed the annual audit report by Solvay Company's internal auditors. The 2012 review concluded that the Company's overall control environment remains satisfactory.

Reviewed the independent review report by KPMG Phoomchai Business Advisory Ltd. produces in June 2012. The independent review team viewed that the internal control of the Company is at satisfactory level. Corrective actions indicated in the report were duly implemented within 2013.





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 2012, 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 2012 self-assessment, overall performance was deemed satisfactory.

In 2012, the Company has been assessed and received the very good level of the Corporate Governance from the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and the Thai Institute of Directors (IOD). Additionally, a scoring result of AGM assessment by the Thai Investors Association is ranked in "Excellent".

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. Supachai Phanyawattano, and/or Ms. Thipawan Nananuwat, and/or Ms. Siraporn Ouaanunkun, and/or Mr. Khitsada Lerdwana from Ernst & Young Office, as the Company's auditor, and determined the auditor's remuneration for 2012.

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 the 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

Organization Chart

of Vinythai Public Company Limited



BOARD OF DIRECTORS OF VINYTHAI

MR. ROGER LESTER KEARNS

Chairman of the Board of Directors and member of Executive Committee, and authorized to sign to bind the Company

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
- Director Accreditation Program – (DAP 95/2012) – Thai Institute of Directors Association (IOD)

Main experience

- Chairman of the Board of Directors, Vinythai Public Company Limited
- Member of the Executive Committee, Vinythai Public Company Limited
- Director, Vinythai Public Company Limited
- Chairman, Solvay Asia Pacific Co., Ltd.
- 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, Soi 51 Co., Ltd.
- Director, Thai Northeast Co., Ltd.
- Director, Thai Refined Salt Company Limited
- Director, Pimai Salt Co., Ltd.
- Director, Advanced Biochemical (Thailand) Co., Ltd.
- Director, Solvay Special Chemicals Co., Ltd. – Korea
- Chairman, Solvay Chemicals (Shanghai) Co., Ltd.
- Director, Solvay Biochemicals (Taixing) Ltd. – China
- Chairman, MTP HP JV (Thailand) Ltd.
- President, Solvay Korea Co., Ltd.
- President and CEO, Solvay (Shanghai) Co., Ltd.
- Solvay Singapore Pte. Ltd.
- Solvay Advanced Polymers LLC



MR. VEERASAK KOSITPAISAL

Vice Chairman of the Board of Directors and authorized to sign to bind the Company*

**resigned from the positions in Vinythai in August 2012*

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

- Vice Chairman, Vinythai Public Company Limited
- Senior Executive Vice President, Petroleum Downstream Business Group, PTT Public Company Limited
- Director and CEO & President, Thai Oil Public Company Limited
- Chairman, Thai Lube Base Public Company Limited
- Chairman, Thai Paraxylene Company Limited
- Chairman, Thai Oil Ethanol Company Limited
- Chairman, Thai Oil Energy Service Company Limited
- Chairman, Sapthip Company Limited
- Chairman, Independent Power (Thailand) Company Limited
- Chairman, Thairoil Power Company Limited
- Director, Thairoil Solvent Company Limited
- Director, Thairoil Marine Company Limited
- Director, Ubol Bio Ethanol Company Limited
- Vice Chairman, The Plastic Industry Club, The Federation of Thai Industries
- Chairman, The Institute of Industrial Energy, The Federation of Thai Industries
- Director and Chairman of Nomination Committee, Thai Listed Company
- Committee, Chulalongkorn University Engineering Alumni, Chulalongkorn University
- Council of Trustee, Petroleum Institute of Thailand
- Director, Vinythai Public Company Limited
- Chief Executive Officer, PTT Global Chemical Public Company Limited
- President & Chief Executive Officer, PTT Chemical Public Company Limited





DR. CHRISTIAN DE SLOOVER

Director and authorized to sign to bind the Company*

** resigned from the position in Vinythai in May 2012*

Education

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

Main experience

- Director, Vinythai Public Company Limited
- 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 Director Association (IOD)
- Certificate in Director Certification Program (DCP) Class 57/2005, Thai Institute of Director Association (IOD)

Main experience

- Independent Director and Audit Committee, Vinythai Public Company Limited
- Director, LASTA Multi Media Joint Stock Company, Vietnam
- Director, Professional Services, Inc. (PSI), The Philippines
- Managing Director, Private Equity (Thailand) Company Limited



MR. DOMINIQUE DUSSARD

Director and authorized to sign to bind the Company

Education

- Master in Laws of Catholic University of Louvain, Belgium

Main experience

- Director, Vinythai Public Company Limited
- Group General Counsel, Solvay S.A., Belgium



MR. JACQUES VAN RIJCKEVORSEL

Director and authorized to sign to bind the Company

Education

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

Main experience

- Director, Vinythai Public Company Limited
- Director, Solvay Indupa Inc.
- Member of Solvay Executive Committee, Solvay S.A., Belgium
- President of Plastics Europe, Association of European Plastics Manufacturers
- Member of the CEFIC Executive Committee, European Chemical Industry Council
- General Manager, Vinyls Strategic Business Unit, Solvay S.A., Belgium
- General Manager DSP1, The Plastics Sector, Solvay S.A., Belgium
- General Manager DSTr, The Processing Sector, Solvay S.A., Belgium



MR. BRUNO VAN DER WIELEN

Director, Executive Committee, and Managing Director and authorized to sign to bind the Company

Education

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

Seminar on Director Roles and Responsibilities

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

Main experience

- Director, Managing Director, and Executive Committee, Vinythai Public Company Limited
- Director and Managing Director, Advanced Biochemical (Thailand) Co., Ltd.
- 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



MRS. PUNTIP OUNGPAK

Director and Chairperson of the Executive Committee and authorized to sign to bind the Company

Education

- Master in Business Administration (Commerce and Accountancy), Thammasat University
- Bachelor in Chemical Engineering, Prince of Songkla University

Seminar on Director Roles and Responsibilities

- Certificate of the Advance Management Program (AMP), The Harvard Business School, USA
- 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

- Director and Chairperson of Executive Committee, Vinythai Public Company Limited
- Executive Vice President, Corporate Strategy, PTT Global Chemical Public Co., Ltd.
- Director, VENCOREX Holding
- Director, PTTGC International (Netherlands) B.V.
- Director, Bio Creation Co., Ltd.
- Director, Advanced Biochemical (Thailand) Co., Ltd.
- 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, Pimai Salt Company Limited
- 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



MR. ANDREW LEONARD CUMMING

Director and authorized to sign to bind the Company

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, Vinythai Public Company Limited
- Director, Advanced Biochemical (Thailand) Co., Ltd.
- Director and Chairman, Solvay Peroxythai Limited
- Director and Chairman, MTP HP JV (Thailand) Limited
- Senior Executive Vice President & General Manager – Asia Pacific – GBU Essential Chemicals, Solvay S.A., Cie
- Director and Chairman, Shandong Huatai Interlox Chemicals Ltd. in China
- Director and Vice Chairman, Tianjin Bohua Yongli Alkali (Soda Ash) Co., Ltd.
- Director and Chairman, Solvay Biochemicals (Taixing) Ltd. in China
- Managing Director, Solvay Chemicals (Shanghai) Co., Ltd.
- Director and Chairman, Solvay Interlox Australia Pty Ltd.
- Director, National Peroxide Ltd. (India)



MR. PIPOP PRUECKSAMARS

Independent Director and Chairman of Audit Committee

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)
- Certificate in Role of the Chairmam Program (RCP) Class 28/2012, Thai Institute of Directors Association (IOD)

Main experience

- Independent Director and Chairman of Audit Committee, Vinythai Public Company Limited
- Executive Director, Petroleum Institute of Thailand
- Chairman and Managing Director, ExxonMobil Chemical (Thailand) Co., Ltd.
- Director and Public Affairs Manager, Esso (Thailand) Public Co., Ltd.
- Chairman and Managing Director, ExxonMobil Chemical (Thailand) Co., Ltd.
- Managing Director, Thai Petroleum Pipeline Co., Ltd.



DR. DHANES CHAROENSUPAYA

Director and authorized to sign to bind the Company

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

- Director, Vinythai Public Company Limited
- Executive Vice President Strategic Execution and Excellence, 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, Advanced Biochemical (Thailand) Co., Ltd.
- Executive Vice President, Growth, Sustainability and Innovation, PTT Global Chemical Public Company Limited
- 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



MR. VINCENZO MORICI

Director and authorized to sign to bind the Company

Education

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

Main experience

- Director, Vinythai Public Company Limited
- Senior Executive Vice President, SDU Vinyls, Solvay S.A.
- Senior Executive Vice President, SBU Specialty Polymers, Solvay S.A.



MR. ANDRE R. VAN DER HEYDEN

Independent Director

Education

- Master's Degree in Metallurgical Engineer, Universite Catholique de Louvain

Main experience

- Independent Director, Vinythai Public Company Limited
- 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



MR. ANON SIRISAENGTAKSIN

Director and Vice Chairman of the Board of Directors and authorized to sign to bind the Company*

** appointed as Director and Vice Chairman in August 2012*

Education

- Honorary Degree of Doctor of Public Administration, Bangkokthonburi University
- M.B.A., Thammasat University
- B.Sc. (Geology), Chulalongkorn University

Seminar on Director Roles and Responsibilities

- Certificate in Project Investment Appraisal and Management and Global Leadership, Harvard University
- Certificate in Capital Market Academy (2005)
- Certificate in Directors Accredited Program (DAP), 52/2006, Thai Institute of Directors Association (IOD)
- Certificate in Directors Certification Program (DCP), 73/2006, Thai Institute of Directors Association (IOD)

Main experience

- Director & Vice Chairman, Vinythai Public Company Limited
- Chief Executive Officer, PTT Global Chemical Public Company Limited
- President and Chief Executive Officer, PTT Exploration and Production Public Company Limited
- Chief Executive Officer, PTT Exploration and Production Public Company Limited
- Senior Vice President, Corporate Strategy and Development, PTT Public Company Limited

MRS. VALLAPA ASSAKUL

Independent Director*

** appointed as Independent Director in May 2012*



Education

- Master's Degree in Economics, University of Detroit, Michigan, USA
- Bachelor's Degree in Economics, Chulalongkorn University (second honor)

Seminar on Director Roles and Responsibilities

- Certificate in Audit Committee Program (ACP) 21/2008
- Certificate in Role of the Compensation Committee (RCC) 5/2008, Thai Institute of Directors Association (IOD)
- Certificate in Directors Certification Program (DCP), 86/2007, Thai Institute of Directors Association (IOD)
- Certificate in Directors Accreditation Program (DCP), 37/2005, Thai Institute of Directors Association (IOD)

Main experience

- Independent Director, Vinythai Public Company Limited
- Director & Member of Executive Committee, Bangkok Expressway PLC. (BECL)
- Director, Siam Estate Co., Ltd.
- Director, Bangkok Expressway PLC. (BECL)
- Member of Risk Committee, The Ocean Life Insurance Co., Ltd.
- Director, Amphan Co., Ltd.
- Member of the Audit Committee, The Ocean Life Insurance Co., Ltd.
- Chairman of Compensation Committee, The Ocean Life Insurance Co., Ltd.
- Director, Bangkok Expressway PLC. (BECL)
- Senior Executive Vice President, Corporate & Investment Banking Group, Thai Military Bank Public Company Limited



ASSOCIATE PROFESSOR DANUJA KUNPANITCHAKIT, PH.D.

Independent Director and Member of Audit Committee*

**appointed as Independent Director in May 2012*

Education

- Doctor of Philosophy (Business Administration), University of Wisconsin-Madison, USA
- Master of Business Administration (Accounting), University of Wisconsin-Madison, USA
- Bachelor of Accountancy (First Class Honors, Gold Medal), Chulalongkorn University

Seminar on Director Roles and Responsibilities

- Certificate of Director Accreditation Program 98/2012

Main experience

- Independent Director and Member of Audit Committee, Vinythai Public Company Limited
- Vice President (Finance), Chulalongkorn University
- Advisory Committee, Asian-Pacific Conference on International Accounting Issues
- Committee, Financial Institutions Policy Committee, Bank of Thailand
- Committee, Institution Council Committee, Panyapiwat Institute of Management
- Subcommittee, Management Accounting Subcommittee, Federation of Accounting Professions
- Dean, Faculty of Commerce and Accountancy, Chulalongkorn University



MR. GILLES MADJARIAN

Director and authorized to sign to bind the Company*

**appointed as Director in May 2012*

Education

- Master of Science in Management, Hautes Etudes Commerciales (H.E.C), Paris
- International Program of Management Canada/Brazil (McGill University, Fundacao Getulio Vargas)

Seminar on Director Roles and Responsibilities

- Certificate in Directors Certification Program (DCP) 165/2012, Thai Institute of Directors Association (IOD)

Main experience

- Director, Vinythai Public Company Limited
- Director, Vinythai Holding Pte. Ltd.
- Chairman, Solvay Asia Pacific Co., Ltd.
- Director, Solvay Peroxythai Ltd.
- Director, MTP HP JV (Thailand) Ltd.
- Director, Solvay Korea Co., Ltd.
- Director, Solvay Interlox Pty. Ltd.
- Director, Solvay Fluor Holding (Asia Pacific) Pte. Ltd.
- Director, Solvay (Hong Kong) Ltd.
- Statutory Auditor, Solvay (Shanghai) Co., Ltd.
- Statutory Auditor, Suzhou Interlox Semco Ltd.
- Statutory Auditor, Solvay High Performance Materials R&D (Shanghai) Ltd.
- Statutory Auditor, Solvay Specialty Polymers (Changshu) Ltd.
- Statutory Auditor, Solvay Chemicals (Shanghai) Co., Ltd.
- Supervisor, Solvay Biochemicals (Taixing) Ltd.
- Supervisor, Solvay Taiwan Co., Ltd.
- Statutory Auditor, Nippon Solvay K.K.
- Statutory Auditor, Solvay Specialty Polymers K.K.
- Statutory Auditor, Solvay Specialty Polymers Korea Co., Ltd.

Steering Committee



MR. BRUNO VAN DER WIELEN

Director, Executive Committee, and Managing Director and authorized to sign to bind the Company

Education

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

Seminar on Director Roles and Responsibilities

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

Main experience

- Director, Managing Director, and Executive Committee, Vinythai Public Company Limited
- Director and Managing Director, Advanced Biochemical (Thailand) Co., Ltd.
- 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. MARC E.J.G. JACQMIN

Vice President - 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

- Plant Manager, Vinythai Public Company Limited
- Plant Manager, Advanced Biochemical (Thailand) Co., Ltd.
- Director, Pimai Salt Co., Ltd.
- 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

- Vice President Marketing & Sales, Vinythai Public Company Limited
- 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., Mahidol University

Seminar on Director Roles and Responsibilities

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

Main experience

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



MRS. JAMJUREE SIROVET'NUKUL

Vice President Finance and Accounting

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

- Vice President Finance and Accounting, Vinythai Public Company Limited
- Chief Finance Officer/3S Asia Hub Shared Service Head, Solvay Asia Pacific Co., Ltd.
- Chief Finance Officer/Head of Shared Service (Thailand), Solvay (Thailand) Ltd.
- Finance and Accounting Director, Lockton Insurance Brokers (Thailand) Co., Ltd.

Management Team



Mr. Thananchai Luksamanapha

Senior Chloro Vinyls
Department Manager



Mr. Apichart Kijjaroenvisal

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

Procurement Department Manager



Mr. Kitt Chaloembaphachon

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. Jirasiree Vorakanjana

Human Resources and Administration
Department Manager



Mr. Wanchai Juntasing

Procurement Department Manager



Mr. Kittipong Jamsak

Accounting Department Manager

Awards & Recognitions



2012: A Year Full of Awards

Vinythai Public Company Limited's outstanding business practices and products are the fruits of dedication and hard work from all its employees over the past twenty years. Several awards and recognitions have ensued, including in 2012 alone, the following:

Heartfelt Thanks from all of us at Vinythai Growing With YOU



The tremendous growth and success of Vinythai Public Company Limited as a leading producer of innovative plastics and chemical products have been achieved through the solid support and cooperation of all stakeholders, which are a powerful driver of our sustainable development. On the occasion of the 20th anniversary of Vinythai Public Company Limited and the grand opening of Advanced Biochemical (Thailand) Company Limited, we would like to extend our grateful thanks to all of our stakeholders for their unstinted trust and support. We will continue to grow with you in the many years to come.

All of us at Vinythai Public Company Limited would like to thank all the stakeholders as follows:

Shareholders

The Founders

We ensure an equitable treatment of all shareholders and pursue a high degree of transparency in our information disclosure and business operation to secure our long-term growth with high added value. We also regularly review our operational risks and develop action plans to mitigate their potential impacts.





Customers

The Partners

Vinythai Public Company Limited is dedicated to bring the highest level of satisfaction to our customers. We offer high quality products and services at reasonable price with excellent technical support and comprehensive solutions provided by our team of professionals and experts. We also welcome all comments and suggestions for performance improvement.

Suppliers

The Major Assistant

We consider our suppliers to be an essential part of our successful operations. We engage with our suppliers continuously including invitation to factory visit to create understanding of the production process. We also work with our suppliers to ensure flexible warehouse management, efficient and safe transportation and timely arrangement of emergency plan.

Financial Institutions

The Dream Maker

We treat all financial institution creditors equitably and strictly comply with the agreement terms and conditions to reinforce our credibility and secure financial support.

Employees and Families

The Heart of Vinythai Public Company Limited Operations

We believe that our employees are our most valuable asset and strive to create an engaged workforce by having fair and equitable policies in place. Recognizing and respecting the rights of our employees is a fundamental part of our work ethic. Our employees are encouraged and supported to develop their skills and capacity for the best possible performance. It is also our responsibility to enhance the working environment to ensure safety and occupational health as well as to provide comprehensive welfare services. We also realize that families are the key support of our employees. Various activities are arranged to promote good relationship with our employees and their families including Family Day, New Year's celebration, wedding or new baby congratulations, etc.

Government Agencies

The Mentor

It is Vinythai Public Company Limited's policy to operate as a good corporate citizen and fully comply with all the laws and regulations applicable to our business at all governmental levels. We also provide good cooperation and support for government projects and activities such as development of laws and regulations to enhance competitiveness of Thai industries, exchange of information and facilitation of inspection process, etc.



Local Communities and Environment

Vinythai Public Company Limited's Commitment

We believe that living in harmony with the local communities and respecting their environment are the key towards sustainable growth. We support and promote various development projects which can be divided into 5 aspects, i.e. 1) health care, 2) natural resource and environmental preservation, 3) education development, 4) promotion of religious and cultural practices including activities on national holidays, and 5) community development.

The Media

A Mirror on Corporate Image

Recognizing the important role of the media in disseminating accurate information to the public, we continuously enhance media relations involving all types of media, i.e. print, broadcasting such as radio and television and online media to ensure correct understanding and strengthen good relationship with the society. The media is also invited to visit our factories for greater publication of our activities.

All these awards are beautiful gifts and great recognition for the 20th anniversary of our Company. **"Growing With You"** is our Company's commitment.





Good Environmental Governance Award

Vinythai won the Industrial Estate Authority of Thailand's Good Environmental Governance Award for the 5th consecutive year (2008-2012), achieving an "excellent" grading. Award criteria comprise environmental performance, social responsibility, transparency, disclosure to local communities, and inspection permissions.

Green Industry Level 4 Award

On December 2012, we received the Green Industry Award Level 4 from the Ministry of Industry. We are among the 18 companies (2 in Rayong) that obtained this award from more than 3,600 candidates this year. There are 5 levels, but there is still no "Green Industry Certificates level 5" accredited so far. The award aims to promote green industry by focusing on continuous improvement of environmentally friendly production and management, coupled with social responsibility. It shows the determination of the Company to be an active leader in the greenhouse gas emissions reduction and contributor to the global warming alleviation.



Carbon Reduction Certification for Buildings

Vinythai achieved official certification for reducing carbon emissions from its laboratory building by over 10% from the 2002 level. Launched by Thai Business Council for Sustainable Development (TBCSD), Thailand Greenhouse Gas Management Organization (TGO) and Thailand Environment Institute (TEI), the greenhouse gas (GHG) emissions reduction certification testifies to the laboratory being an exemplary high profile, low energy building.



Zero Accident Award

Vinythai won the D Protection and Welfare, Zero Accident Campaign recognizing the achievement of working hours without accident.



Halal Management

Certificate

The Office of Islamic Affairs Committee of Rayong Province, Thailand, certified that Vinythai operates to high-level compliance with Halal principles under Islamic laws as iterated in Rayong Halal Directive No. 3, 2012 for sodium hydroxide 32% and 50% processing.



Thailand Energy Awards 2012

We received from the Prime Minister on September 2012 the "Thailand Energy Awards" of the Ministry of Energy, for our outstanding performance on energy saving in category of controlled factory. Initiated by Department of Alternative Energy, the award speaks to sustainability, impact, replicability, originality, and overall presentation & impression.

Carbon

Reduction Label

The program of Saving Energy and CO₂ reduction is successfully in place, after the national recognitions, the "Carbon Reduction Label Certificated" in 2010 for our Suspension PVC, Emulsion PVC, Caustic Soda, and the "Carbon Footprint Label" in 2011 from the Thailand Greenhouse Gas Management Organization (TGO) for all our products. In 2012, Vinythai also qualified for a coveted CO Reduction Label 2012 on the basis of reducing its CO₂ emissions by 10% from the 2000 level. The Carbon Reduction Label, initiated by TGO, validates Vinythai's reduction in Greenhouse Gas emissions across both its production and service operations.



Ecomagination

Leadership Award 2012

Vinythai won GE's Ecomagination Leadership Award 2012. The award singles Vinythai out as GE's customer demonstrating the most "ecomagination leadership". Winning projects must deliver positive economic and ecological impacts through their implementation of technology, people and solutions.

Honorable Award from Ministry of Commerce

Ministry of Commerce presented Vinythai the Honorable Award for full support data for the 5th consecutive year.

A photograph of an industrial facility, likely a refinery or chemical plant. The image shows a complex network of pipes, valves, and structural steel. A large, prominent red pipe curves from the left side towards the center. To the right, a large, silver, cylindrical storage tank is visible. The background features a blue sky and a metal safety fence. A semi-transparent yellow box is overlaid on the left side of the image, containing the text "Management Report".

Management Report



PVC Industry Outlook

PVC Market 2012

PVC consumption in Asia continued to grow in 2012 but at a slower rate, particularly in China. The reduced growth in PVC demand in China was due to the global economic slow down and to the local monetary policy to curb inflation and avoid overheating in the real estate market.

Nevertheless, several other Asian countries continued to show healthy growth in PVC demand, not least India and ASEAN, where Indonesia performed particularly strongly. PVC demand was further supported by government stimulus packages that continued to be rolled out in several ASEAN countries. Meanwhile, the US continued to export PVC to Asia, especially China and India. US PVC had become more price-competitive as a result of a sharp increase in low-cost shale gas production, resulting in lower natural gas prices and therefore lower PVC production costs.

In 2012, Southeast Asia producers had some advantages versus Northeast Asia producers in terms of demand and prices.

Asian PVC prices in 2012 averaged 963 USD/ton, down 9% from 2011. The lower prices resulted both from falling crude oil and ethylene prices by mid-year and weaker PVC demand in China, particularly in Q4, resulting from economic softening.

Averaged ethylene prices rose by 4% in 2012, to 1,230 USD/ton, due to increased naphtha prices.

Average VCM prices declined by 9% in 2012, to 863 USD/ton, in line with average PVC prices. PVC-VCM spreads narrowed early in the year due to VCM shortages, following an explosion at a major VCM supplier, where one production line was totally destroyed



and two lines had to be closed for extensive inspections lasting several months. PVC-VCM spreads widened again in the latter part of the year once inspections of the two lines were satisfactorily concluded and production could resume. Under those market conditions, fully integrated Vinyl producers, such as Vinythai, have largely benefited from their exposure to both PVC and Caustic Soda.

EDC prices averaged 264 USD/ton, down 42% from 2011, due to increasing capacity in the region and more export shipments from other regions.

By contrast, average Caustic Soda prices rose by 10% to 482 USD/ton, due to tight supply conditions in the Southeast Asia region. Nevertheless, Caustic Soda prices softened again in the latter part of the year amidst increasing supply and weak demand.

PVC Market Trends in 2013

As of early 2013, Southeast Asia PVC and VCM supply were rather tight. One major VCM supplier, with a capacity of 400,000 tons per year, has permanently closed its VCM unit, causing some supply tensions in the region.

As a fully integrated Vinyl producer, Vinythai should benefit from those tight market conditions.

Risk Issues and Mitigation

Risk Management

Vinythai implements Risk Management Systems that are steered by a Risk Management Committee (RMC) comprising the Managing Director, Plant Manager, Vice President Marketing & Sales for PVC & Caustic Soda, Vice President Marketing & Sales for Epichlorohydrin, Vice President Finance & Accounting, Vice President Corporate Affairs & Communications, Senior Chloro Vinyls Department Manager, Senior Epichlorohydrin Department Manager, Senior Supply Chain Department Manager, Personnel & Administration Department Manager, and Business Performance Improvement Department Manager.

The Committee has defined a risk management policy and framework aligned with the Company's Mission and Vision. RMC 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. 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 concerns, the Company faces a variety of risks which may be broadly classified into three types: industrial risks, financial risks, and operational risks.

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, Caustic Soda and Epichlorohydrin on 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 pivotal inputs, alongside with salt and electricity. Ethylene accounted for around 50% of the Company's total production costs in 2012.

Mitigation:

Concerning fluctuations in its end product prices, Vinythai's marketing & sales team closely monitors price evolution in order to proactively make adjustments to prevailing conditions. The Company's fully-integrated production process helps, to some extent, to shield it from Ethylene price volatility. To further ameliorate Ethylene cost factors, the Company negotiates with suppliers to ensure effective pricing management that best reflects Asian market conditions.

1.2 Reliance on a limited number of suppliers

Vinythai's integrated PVC production process is dependent upon 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, in particular, the number of suppliers is limited. As such, Vinythai faces the risk of a key raw material shortage should any of its suppliers suddenly be unable to fulfill its 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 2012, over 40% 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 which commenced commercial operation in Q1 2012. As at end 2012, THB 3,000 million of that amount had been drawn down, with the full THB 4,500 drawdown expected within February 2013.

The Long-Term Loan has a term of 10 years with a grace period of 3 years. The repayment schedule identifies fourteen equal, semi-annual installments, commencing 30 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 the performances of all its projects, including Advanced Biochemical (Thailand) Company Limited. Moreover, the Company adopts a conservative treasury policy and liquidity management while targeting a reasonable, low-level debt-to-equity ratio. The Epichlorohydrin project begins commercial operation in early 2012 and is expected to further strengthen the Company's financial performance from its early days onwards. As such, the Company is confident that it is unlikely to encounter any debt repayment or liquidity inadequacy problems.

2.2 Foreign exchange 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 interest rate volatility.

Mitigation:

The Company closely monitors movements in interest rates on its deposit accounts with financial institutions and on its Long-Term Loan as they fluctuate in response to financial market conditions and responds appropriately. According to conditions at any given time, the Company may, as it deems necessary, enter into financial hedging arrangements in order to manage associated risks.

2.3 Interest rate risk

Revenues of the Company and its newly launched subsidiary, Advanced Biochemical (Thailand) Company Limited, are exposed to exchange rate volatility on their revenues from both domestic and export sales, all of which are priced in US dollars. The Company is also exposed to risk on the payments it makes for its main feedstocks, due to their being priced in US dollars. The Company's other raw materials, machinery and equipment maintenance are also all denominated in foreign currencies, notably US dollars and Euro.



Regarding the Company's new investment in an Epichlorohydrin plant in China via its holding company in Singapore, most of the concerned investment and expected income is denominated in RMB for which market expectations are for short-to-medium term appreciation. This exposes the new project to RMB forex movements against other currencies, especially THB.

Mitigation:

Vinythai 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 natural hedges 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.

To manage foreign exchange risk exposure associated with its new Epichlorohydrin project in China, the Company has fully adopted and applied natural hedging. As a result, both capital injections and long-term loans to finance the project are denominated in RMB, and RMB is registered as the holding company's reporting currency, so as to limit conversion risk pertaining to THB and RMB.

2.4 Liquidity Risk

Following on from the uncertain market conditions ensuing from precarious US and EU conditions, liquidity risk has become another major concern for all businesses. Moreover, the risk is intensified for businesses with multiple operations. Many mother companies have suffered from the conditions in the US and EU. The Company considers this to be another important risk exposure that can potentially push its costs higher.

Mitigation:

The Company closely monitors financial market liquidity via its day-to-day banking operations. Its policy is to work with a variety of banks (US, European, Japanese, Chinese and Thai). By spreading its funding sources to include a wide selection of short- and long-term alternatives, the Company mitigates its risk exposure to potential liquidity constraints. The Company also stresses efficient working capital management to ensure consistently smooth liquidity.

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 such as to feedstock supply, as well as customer-related occurrences of such, can lead to interruptions to 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 composing manuals showing how 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 is based on a new "green" technology. Compared to the traditional propylene-based Epichlorohydrin production process, this new technology halves energy consumption, reduces greenhouse gas emissions by at least 20%, divides water consumption by ten and divides the volume of chlorinated by-products by eight. As the plant was started up, the Company was exposed to operational risk by virtue of the newness of the technology.

Mitigation:

The new production line started up smoothly in February 2012. Well aware of potential risks, especially operational risk, the Company adopted appropriate risk avoidance measures accordingly. Specific risk prevention measures include selecting qualified personnel to oversee production and providing them with full appropriate training overseas, lasting several months, conducted by experts, thereby ensuring that the concerned personnel are fully equipped to operate the new technology effectively and safely. Additionally, the Company secured the support of an experienced team employed by the Company's major shareholder and licensor, Solvay, to directly assist during the start-up period. In the event, the plant has in fact operated smoothly since its commencement and its operations are under full control.



Company
Performance



Production and Process Development: A Year Full of Records

In the very tough Asian competitive environment, the plant continues to be focalized on three improvement's axis: reactivity, reliability, competitiveness. After the first program "First Priorities for the Plant", implemented since 2009, we implemented in 2012 a second one to orientate all actions to support the improvement's axis. The first program is mainly oriented on the axis "From Reliability to Productivity and Energy focus", the second program is mainly oriented on the axis "From Productivity to Manufacturing Excellence and Energy Excellence focus". The second program is supported by the "Lean Six Sigma" approach; and during 2012 several trainings were organized to give to our Team, all tools needed to successfully apply the method during the years to come.

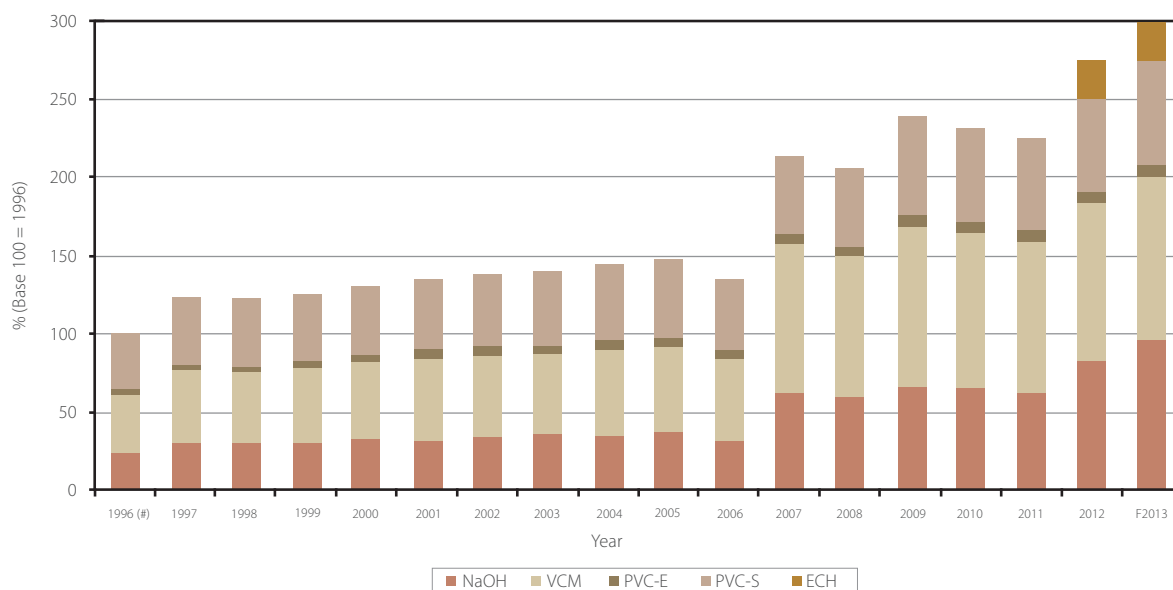
In these programs, the "Manufacturing Excellence" is one of the main projects, focused on 3 pillars

- Reduce the "Energy Consumption" by deploying energy saving methodology;
- Deploy the "Lean Maintenance";
- And boost the "Overall Equipment Effectiveness" by deploying team and individual improvement methodology.

The two programs are developed for 8 years, since 2009 until 2016 with a recurrent yearly saving contribution at the end of more than 1 GTHB/y. Thanks to the good cooperation of all Vinythai personnel, the results were at the end of this year at the level of 500 MTHB/y, superior to the targets and the plant has reached an excellent level of reliability and performance. All productions, Caustic Soda, Suspension PVC, Emulsion PVC and Epichlorohydrin beat in 2012 their annual production record, but showing also new possibilities for improvement.

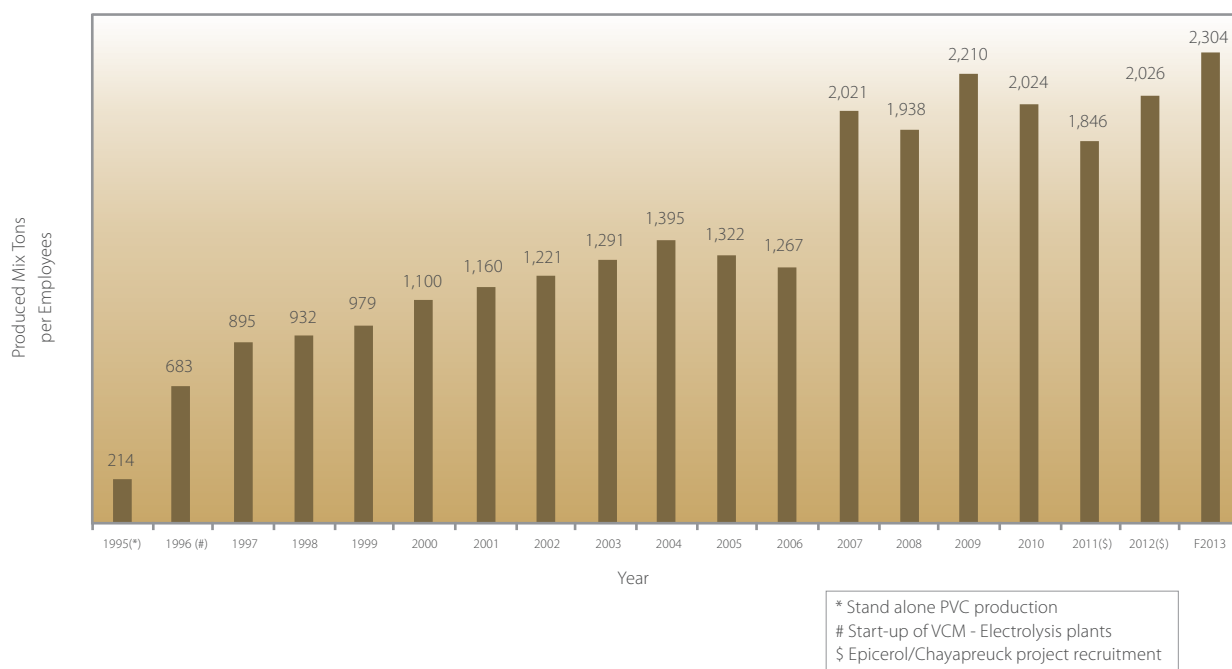
The total production of NaOH, VCM and PVC stayed at very high level with new annual production record for all productions.

PRODUCTION PERFORMANCE (Base 100 = 1996)



The number of employees was stable from 464 end of 2011 to 463 end of 2012

VINYTHAI PRODUCTIVITY EVOLUTION



The Company's announced in September 2009 of its decision for the acquisition of a 100% shareholding in Solvay Biochemical Thailand (SBT) company, renamed as Advanced Biochemical (Thailand) Co., Ltd. (ABT) that built in VNT premises a world class Epichlorohydrin production unit using Solvay's Epicerol® process. The construction project could be finished within time and budget at the end of the last quarter of 2011.

Production successfully started on 2 February 2012. The full capacity could be reached in August 2012 but the economic situation could not permit ABT to use the full capacity of the installation until the end of the year.

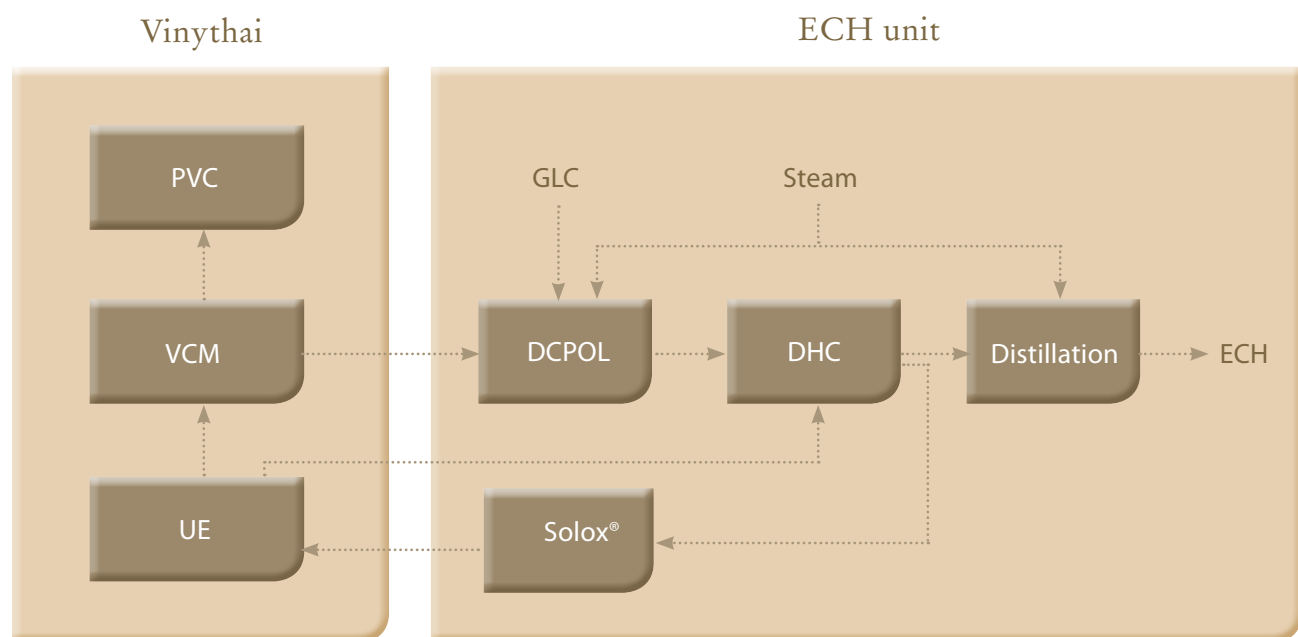
With an annual production capacity of 100,000 metric tons, this immediately launches Vinythai's subsidiary as an important producer of Epichlorohydrin

which is experiencing rapidly growing demand in 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 Epicerol® project diversifies the product portfolio of the Company while focusing on its core competency which is the chlorine chemistry.

Plant set up 2012



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

In June of 2012, the expansion of the Chlorine/ Caustic Soda production got on stream, with an added capacity of 100,000 tons of Caustic Soda. A big part of the added capacity is consumed by the new Epichlorohydrin production unit.

In 2012, the Company announced its decision to realize its second Epichlorohydrin plant of 100 kt in Taixing (China) to support the growing domestic market development in China.

In accordance with its commitment to Responsible Care and Social Sustainability, the Company

strengthened its quality, occupational health and safety management systems. As such, Vinythai has succeeded in the recertification/surveillance audit for our Quality System (ISO 9001:2008), for the certification audit for Occupational Health and Safety Management System (OHSAS 18001:2007), and for the certification audit for Environmental Management System (ISO 14001:2004), by Bureau Veritas Quality International (BVQI). The scope of those certifications was extended to the Epichlorohydrin unit.

The principle of permanent improvement is firmly implemented and guarantees that all the personnel is ready for the next challenges to meet in 2013.



Marketing & Sales

PVC Resin

In 2012, global GDP growth rate was projected at 2.3 percent. Output remained sluggish in advanced economies especially in Europe and USA, but was still relatively solid in many emerging markets and developing economies. Specifically, in developing Asia, the GDP growth of 6.7 percent was contributed by China at 7.8 percent, India at 4.9 percent and ASEAN 5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam) at 5.4 percent enabling reasonably better sales compared to 2011.

The domestic GDP growth was at 6.4 percent while the PVC demand growth was estimated at 480 kt per annum.

In 2012, the Company's sales of S-PVC were recorded at 7,649 MTHB, an increase by 6.6%, which was resulted from 14% higher volume despite 6.2% lower average price compared to 2011. Thanks to the ongoing demand in domestic and other ASEAN countries amidst prevailing weak demand in developed countries.

E-PVC sales revenue was 1,310 MTHB, only 0.4% higher than 2011 despite 9% higher volume but 7.8%

lower average selling price compared to 2011. The price has been continuously declining during 2012 due to surplus supply from increased capacity especially in China and Malaysia.

For PVC resin, the percentages of domestic and export sales revenue were 62% and 38% respectively.

To maintain competitiveness and sustainability, the Company will continue to develop products and services, both technically and logistically, and cultivate strong partnerships with its customers through technical seminar and cooperation to provide facts and information to the related industries and authorities as well as consumers.

As the global GDP growth in 2013 is projected at 2.4 percent. With existing surplus capacity and global limited demand growth, PVC price will remain under competitive pressure throughout the year.

VCM

Sales of available VCM in 2012 earned 2,491 MTHB in revenue which was 12.6% lower than in 2011 reflecting 6.9% lower average selling price and 6% less volume.

Caustic Soda

Generally in 2012, there is still surplus capacity of Caustic Soda in Asia especially in China. However, the increasing demand in China and the raising energy costs had reasonably stabilized the average regional price at high 400 USD/DMT CFR during the first three quarters. This price started to decline in Q4 to low 400 USD/DMT CFR by increasing capacity in South Korea and Indonesia as well as weakening demand.

Revenue from Caustic Soda in 2012 was 3,821 MTHB, being 94% for domestic sales and 43.2% higher than in 2011 which was mainly due to 23.3% increase in average selling price and 16% more volume from the expanded capacity.

In 2013, huge surplus capacity in addition to increasing energy costs and declining chlorine value will probably induce high pressure onto the Caustic Soda producers.

Epichlorohydrin (ECH)

ECH serves mainly the epoxy resins market which continues to grow by GDP +1 or 2% in Asia mainly driven by coatings, electronics and composites markets.

2012 was a contrasted year for ECH. In the first half of the year, the ECH market was well balanced globally with Asian price stable at 1,800 USD/ton CFR on the back of slight recovery of the demand and firm feedstock prices.

However, the market turned down in the second half of 2012 as the demand of epoxy resins in China started to weaken and export out of Asia to decrease by 15%. Prices were under pressure and dropped stepwise to bottom at 1,450 USD/ton CFR end of the Year. Low margins forced less competitive players to reduce or stop their ECH operations in the second half of 2012.

For its first year of production, the Company reached a sales volume of 40,000 tons. ECH sales revenue in 2012 was 1,995 MTHB, 922 MTHB domestic and 1,073 MTHB at the export.

In 2013, the Company will continue to consolidate its position in Asia and increase its sales volume in order to operate the plant at full capacity. As the demand will recover and ongoing supply restructuration will be finalized, ECH prices will increase supported by firm feedstock prices.

The Competitors and Competitiveness

PVC Resin

The local PVC resin industry is under fierce competition. Customers can purchase PVC resins from Vinythai, Thai Plastic and Chemical Public Company Limited (TPC) and by importation.

Vinythai is Thailand's second largest manufacturer of PVC resins. Vinythai understands that the key elements for PVC purchasing decisions are pricing, quality of products, timeliness of delivery, and customer technical services offered. Consequently, the Company successively sets the business policies to perform on those factors in order to be competitive in the market.


Caustic Soda

There are about 10 producers of Caustic Soda in the domestic market. Vinythai is the first rank producer and supplier in Thailand.

The competition in this industry exists at a certain level. The Company therefore focuses on the quality of products, pricing, and timeliness and safety of delivery so as to meet the requirements of its customers.

Epichlorohydrin

Advanced Biochemical (Thailand) Ltd. or ABT started ECH production in February 2012 based on EPICEROL® technology while market is still dominated by Propylene technology (80%). ABT is now the second largest ECH producer in Asia. It will continue to develop strong partnership with its customers in Asia based on the reliability of supply, competitiveness and to promote the environmental advantages of EPICEROL®.



Explanation and Analysis of Financial Status and Performance

An Analysis of Performance*

Analysis of Income

In 2012, the Company registered the first operation results from the Epichlorohydrin (ECH) plant of Advanced Biochemical (Thailand) Ltd. or ABT, the Company's subsidiary which started the commercial operation during the first quarter of the year.

During the year, the Company and its subsidiary ABT recorded total revenues of 17,090 MTHB, of which 16,933 MTHB earned from sales revenue. The sales revenue increased by 2,833 MTHB or 20% comparing to 2011. The main reason was the first year commercial operation of this subsidiary and better PVC and Caustic Soda sales volume.

In 2012, PVC, Caustic Soda and VCM sales represented 57.5%, 25.0% and 16.3% of total sales revenue of the Company, respectively and 76.5 % of sales revenue comes from the domestic sales.

The Company and its subsidiaries had other income of 156 MTHB in 2012 increasing by 64 MTHB comparing to last year mainly due to the increment of interest income and gain from exchange rate.

Moreover, late 2012, the Company acquired

Solvay Biochemicals (Taixing) Ltd. or SBT, a new Chinese subsidiary that just started its plant construction. SBT's commercial run is expected around the end of the year 2014.

Analysis of Cost and Expenses

1. In 2012, Cost of sales amounting to 14,055 MTHB increased by 2,851 MTHB comparing to 2011 or 25% increase. This increment is mainly due to the average price of ethylene in 2012 that was higher than 2011 and the first year commercial operation of its subsidiary ABT.

2. In 2012, Selling & Administrative Expenses was 1,193 MTHB, increased by 283 MTHB or 31% from 2011. This increment was mainly due to operating expenses of its subsidiary ABT, which started commercial operation in the year. In addition, the uncapitalized pre-operating expenses of its subsidiary SBT were included in from its incorporation on 19 April 2012.

3. Financial expense for 2012 was 125 MTHB, increased by 112 MTHB comparing to last year. The increase mainly came from the interest payment which was capitalized as fixed asset in previous year, but was presented in operating result of this year due to the start of commercial operation of its subsidiary ABT.

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



Summary of Performance

For 2012, the Company and its subsidiaries recorded net profit of 1,691 MTHB (2,094 MTHB from separate financial statements which presented in cost method), decreasing by 297 MTHB or 15% from net profit of 1,989 MTHB in previous year. The lower spread margin is the main reason of the decline of the Company and its subsidiaries' performance.

An Analysis of Financial Status*

Analysis of Assets

As at 31 December 2012, the Company and its subsidiaries had assets totaling 21,485 MTHB which increased by 1,860 MTHB or 9.5% from previous year.

Details of the major changes were following:

1. As at 31 December 2012, the Company and its subsidiaries had net cash and cash equivalents amounting to 1,991 MTHB, increasing by 818 MTHB comparing to 1,173 MTHB at the end of 2011 (see further information in analysis of cash flow)

2. The balance of trade and other receivables at the end of 2012 was 2,223 MTHB, increasing by 191 MTHB comparing to 2,032 MTHB at the end of 2011.

3. The Company and its subsidiary ABT had net inventories at the end of 2012 amounting to 774 MTHB, increasing by 120 MTHB.

4. At the end of 2012, the Company and its subsidiaries had net property, plant and equipment amounting to 15,785 MTHB or increasing by 701 MTHB comparing to 15,084 MTHB at the end of 2011 mainly for its subsidiaries' assets.

Analysis of Liabilities

The Company and its subsidiaries had total liabilities at the end of 2012 amounting to 4,688 MTHB which increased by 1,349 MTHB or 40% comparing to 2011. The major change of the liabilities was the increase of long-term loan by 1,600 MTHB for the investment of its subsidiaries.

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

Analysis of Shareholders' Equity

As at 31 December 2012, the shareholders' equity was 16,797 MTHB which increased by 512 MTHB or 3% comparing to 16,285 MTHB at the end of 2011. The Company and its subsidiaries recorded net profit for 2012 amounting to 1,692 MTHB of which 105 MTHB was appropriated as legal reserve. In addition, the Company paid dividend of 1,185 MTHB, in respect of the 2011 earnings.

Analysis of Cash Flow

As of 31 December 2012, the Company and its subsidiaries' Cash Flow Statement presented 1,991 MTHB

of cash and cash equivalents, increasing by 818 MTHB comparing to 1,173 MTHB at the end of 2011. The sources and uses of funds were following:

1. In 2012, the net cash flow from operating activities was 2,974 MTHB which decreased by 164 MTHB or 5% comparing to 2011.

2. In 2012, the net cash flow used in investing activities was 2,564 MTHB which decreased by 751 MTHB comparing to its amount of 3,315 MTHB for 2011. The reason of this decrement was the construction phase of its subsidiaries.

3. In 2012, the net cash flow from financing activities totaling of 415 MTHB comprising of 1,600 MTHB long-term loan drawdown and 1,185 MTHB dividend payment.

Financial Ratios

	2012	2011
Gross Profit margin	17.0%	20.5%
Net Profit margin	10.0%	14.0%
Debt to Equity ratio	0.28	0.21
Earning per share	1.42	1.68

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

Resulting from lower of spread margin during the year, the Gross Profit margin and Net Profit margin were declined. However, the maintaining high level of production capacity together with higher sales volume by 9.4% comparing to previous year, and also with effective selling

and administrative expenses control, lead the Company and its subsidiaries to be able to maintain high level of the Net Profit. In 2012, the Company and its subsidiaries had the return on average asset at 8.8% and the return on average equity at 10.2%.

Yours faithfully,



(Mr. Bruno van der Wielen)
Managing Director



Total Quality Management and Innovation

Total Quality Management

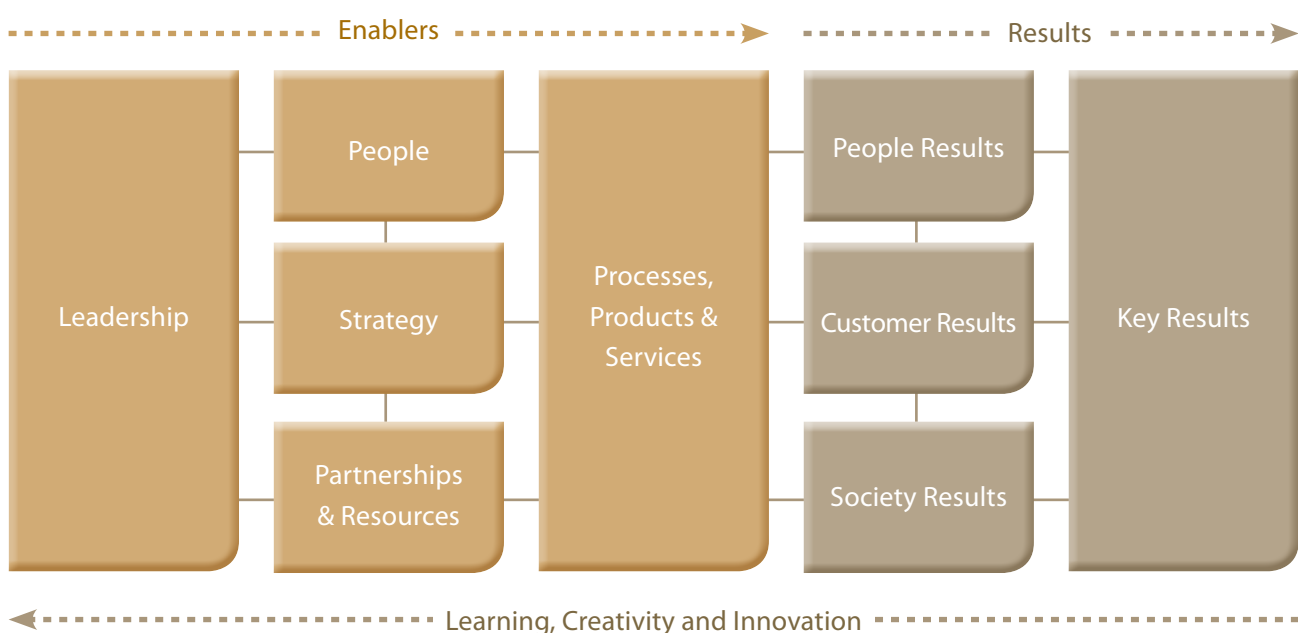
Company Action Plan and Self Assessment

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 revisited its Vision and Mission, revised its plans, reassessed the potential risks

to achievement of its business targets, including its downstream economy measures.

Taking the Excellence Model of EFQM (European Foundation for Quality Management) as its framework, the Company assessed its performance in each operating area (Leadership, Strategy, People, Partnerships & Resources, Processes and Products & Services) and evaluated their potential impact on the Company's key results. The findings were duly introduced, along 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. On a regular basis, the Company's marketing team outsources an independent survey of both its domestic and export customers. The findings from the surveys are used to design marketing plans closely tailored to both individual customers and market trends, implementation of which further strengthens the Company's position going forward.

These surveys target eight areas of customer perception: product, price, sales representation, delivery, financial/shipping documentation, credit policy, technical services and Corporate Social Responsibility. Responses consistently indicate increasing levels of satisfaction. Nevertheless, the Company, as ever, remains committed to continuing to raise 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 any issues or problems. These internal measures are used by the Company to monitor, understand, predict and improve its overall performance. Meanwhile, several visits were undertaken during the past year to both Thai and foreign customers of the Company's PVC and Caustic Soda output. In all cases, these visits 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 efficiencies. Surveyed areas include the Company's testing laboratory and its quality control, maintenance and engineering departments.

Moreover, these efforts to accentuate customer satisfaction in the past year 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.

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 has expanded the scope of its management certifications to include three standards: Quality Management System ISO 9001: 2008, Environmental Management System ISO 14001: 2004 and Occupational Health and Safety Management System OHSAS 18001: 2007, all as independently assessed and certified by Bureau Veritas Certification Thailand in mid year.

Also during 2012, the Company joined a project to implement the Security Management System for Supply Chain Management (ISO 28000), organized by the

Department of Primary Industries and Mines, Ministry of Industry. The aim of this project is to establish and promote overall security management in the supply chain, including specifying requirements and aspects critical to supply chain security assurance. By joining this project, the Company gains more knowledge and awareness around security risk management, enabling it to manage concerned security risks in accordance with the international ISO 28000 standard.

In addition, the Company garnered a “Thailand Energy Award 2012” for Outstanding Factory in recognition of its energy conservation program. The awards are bestowed by the Department of Alternative Energy Development and Efficiency, Ministry of Energy. In the Company’s case, the award recognizes its driving energy conservation policy and implementation of clear energy conservation targets for employees.

Thanks to its ongoing energy conservation programs and environmental promotion campaigns and activities coupled with its strong commitment to corporate social responsibility aligned with ISO 26000, the Company achieved the prestigious “Green Industry Level 4 (Green Culture)” status bestowed by the Department of Industrial Works, Ministry of Industry.

These certifications testify to Vinythai’s strong commitment to sustainable business, social responsibility and environment friendliness, both internally and throughout its supply chain, and, above all, to 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/IEC 17025: 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.
- 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, and 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 Level 3 and Level 4 issued by the Ministry of Industry.

Energy Management Systems

Vinythai set a target to reduce its energy consumption by 100 MTHB in 2012, achieving actual savings of 85 MTHB. To make those efforts as effective as possible, basic energy saving awareness training was extended to the Energy Management Committee, all staff and the Internal Energy Audit Committee. The team furthermore participated in energy conservation activities both within the Company and externally, including a Voluntary Agreement (VA) with the Department of Alternative Energy Development and Efficiency, Thailand Environment Institute and Thailand Business Council

for Sustainable Development to raise energy efficiency awareness.

An outstanding energy saving project implemented in 2012 involved heat conduction from steam discharged from the evaporation of liquid sodium hydroxide. By raising the efficiency of the process, this project achieved an annual saving of 23 MTHB.

A project to reduce energy used in the Epichlorohydrin distillation column was also successful, resulting in an annual saving in energy consumption by steam and electricity of 35 MTHB.

The Company has implemented a wide range of energy saving projects over the past several years that have collectively supported its sustainable growth. Testifying to the effectiveness of these efforts, the Company won the prestigious Thailand Energy Award 2012 for Outstanding Plant which was presented by the Prime Minister on 12 October 2012.

The Company's continuous adherence to principles of Manufacturing Excellence, as defined by Lean Six Sigma, remains an important impetus for optimizing both energy value and output. Lean Six Sigma is an effective tool for focusing on waste reduction and process improvements. Its problem-solving system analyzes statistical data to identify root causes of excessive energy

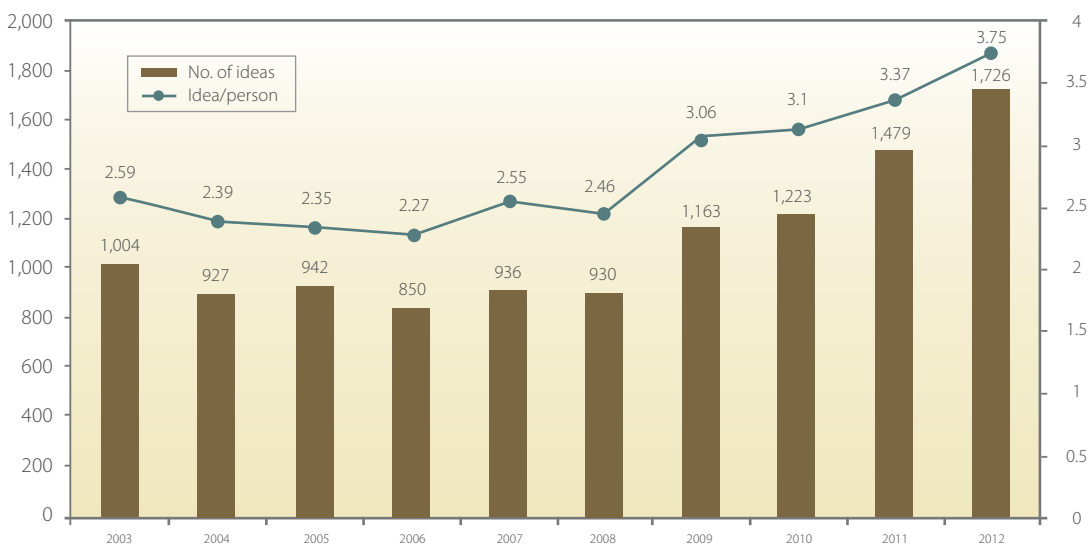
consumption and correct them. In so enhancing process controls, the Company's sustainable development will be further bolstered in 2012, going more and more to the operational excellence.

Taken altogether, these training programs significantly enhance the Company's overall operational efficiency.

Innovations and Suggestions

Operating conditions these days in the sectors in which the Company is active are subject to constant rapid change and ever intensifying competition. To sustain its leadership position, the Company drives innovation activities consistent with its corporate values and closely follows up. Indeed, it is largely thanks to the creativity of its personnel that the Company consistently achieves sustainable growth, even when faced with economic adversity.

Indicating the enthusiasm with which personnel have embraced this practice, on average 3.75 ideas were received from each participant in 2012, a slight increase over 2011. Implementing these valuable suggestions in 2012 achieved a total saving for the Company of 223 MTHB.





Human Resources

Growing People to Grow Our Business

Inspired by our core values and our rich culture, we support the development of our people in a learning organization to enable every employee to achieve his/her short- and long-term commitments and insure continuous Company's growth.

Learning Development

Several "Learning" actions were conducted in 2012 to ensure that all employees acquire the expertise and competencies required to adequately perform their current and future job and to meet the short- and long-term needs of the business. These "Learning" Programs will enable them to further develop their full potential, to act constructively in a multicultural and diverse environment and at the end, to enhance their contribution to our fast growing Company:

Mission-Vision-Values (MVV)

Vinythai just turned a strategic point of his history: with the Epichlorohydrin, we have now a new product in our portfolio, we have created a new company Advanced Biochemicals (Thailand), and we have welcomed 80 new

employees who joined us during the years 2010 and 2011. A training program was designed to help both the current employees to go through the changes and the new entrants to integrate. This "MVV Workshop - Vinythai is Growing with You" was therefore created with the aim of providing all employees better understanding of the Company Mission, Vision, and Values and of reinforcing Vinythai identity.

"**Leadership Development**" program has been provided to all Managers, Supervisors and Engineers to enhance Vinythai's leadership capabilities and people engagement through effective coaching and communication. This program has been organized with the aim of getting them better prepared to deal with their managerial role, increasing positive and proactive mindsets, leadership skills and communication effectiveness. In one word to foster our "Leadership Excellence".

"**Lean Six Sigma**" program is designed to provide our employees with a systematic approach, the necessary



tools and skills to solve their business and operation issues, and to institutionalize systematic data-driven decision making process for all aspects of the operations. This is implemented to instill the “Culture of Excellence” in all areas of our company, from Manufacturing to Marketing, from HR to Finance.

Talent Development

To ensure the necessary transfers of scientific and technical expertise within our organization and to foster the development of talents by providing them career opportunities, an “International Assignment” is offered to some of our talents. This gives them the chance to exercise effective responsibilities and to broaden their knowledge, expertise and competencies in an international environment.

In the year 2012, in the frame of its Epichlorohydrin investment in China, the Company assigned 9 talents for expatriation during 2 - 5 years for the support to this important project.

Well-being Development

A “Workplace Well-being Program” covering three domains; Medical Care, Health Care and Personal Care have been initiated by sharing the collaborative ideas from employees to create a motivating work environment as well as to make Vinythai an even better company to work for.





Vinythai Sustainable Development

Sustainable Development and Continuous Improvement for Quality, Safety, Health and the Environment

Vinythai's business goals include continuous efforts to improve its quality, safety, occupational health and environment performance. The Company sets itself ambitious objectives and targets and is resolutely resolved to achieving them. To this end, every relevant measure is applied, including uncompromising implementation of "Responsible Care", in order to ensure complete and consistent compliance with internationally-recognized management systems governing occupational health, safety and environment.

Auditing: To ensure highest standards and continuous improvement of integrated quality, health, safety and environment management systems

Regular audits to gauge implementation of three integrated management systems – ISO 9001, ISO 14001, OHSAS 18001 – are undertaken by independent assessors. Emphasis is on ensuring high standards and full compliance while monitoring the operational status of each system and implementation of improvements. To-date, these meticulous audits have not uncovered any nonconformities, leading to the conclusion that the integrated management systems are working according to design.

Health Risk Management System Implementation

The Company has successfully adopted a new approach to its health risk assessment involving adopting health-harmonized integrated information management tools developed by Solvay, the Company's major shareholder. These systems involve continuous health risk assessment, identification of priority actions for improvement and regular progress follow-ups. A dedicated team reviews the information and responds



wherever necessary with further steps to protect and promote the health of all personnel.

Vinythai is also bound by signed agreement with other concerned businesses within the Federation of Thai Industries (FTI) that recognize the importance of risk assessment application in chemicals management, known as the Responsible Care Management Committee of Thailand, to conduct Chemical Risk Assessment. Potential harms arising in the course of plant operation are thereby mitigated. Safety and minimal environmental impact can thereby be depended upon.

Occupational Safety: From “Zero Injuries” to “Zero Incidents”

Systematic risk assessments in relation to activities performed sensitizes staff to potential hazards at the earliest stage, thereby minimizing risks. “Behavior Based Safety” (BBS) is implemented so as to maintain and continuously promote

safety. Over 5,000 safety dialogues have so far been held with both the Company’s and its contractors’ staff at all levels.

In 2012, Vinythai maintained its continuous record of no accidents with lost working days among either the Company’s or its contractors’ personnel. In achieving 4 million consecutive work hours without lost working day accident, the Company earned a “Zero Accident Award – Silver Level” from the Ministry of Labour for the third consecutive year.

The Company realized that despite effective implementation of its existing HSE system, reaching the ultimate goal of “Zero Incidents” would demand continuous improvement. In 2012 the Company therefore deployed “HSE Culture Program”, launched at a workshop participated by over 70 percent of its staff at supervisory level and up.

Process Safety Management Program Enhancement

The Company places a top priority on process

safety in order to operate and maintain its plant in such a way that all risks are appropriately managed and contained. In 2012, Vinythai conducted a complete risk analysis and review of process and operations controls in the form of another Hazard and Operability Analysis (HAZOP) which it carries out every five years.

**Transport Safety Management System:
Extended to all parties in the supply chain**

Safe Transport is a key aspect of product stewardship and a pillar of the Company's commitment to "Responsible Care", in particular with regard to handling and transportation of hazardous substances. The Company subcontracts most transportation of hazardous raw materials and end products. However, it still implements the internationally recognized Safety and Quality Assessment System (SQAS) to assess and evaluate the performance of all transport and logistics service providers. In 2012, 60 percent of logistic service providers were audited as planned.

**Continuous Improvement of Environment
Prevention and Protection Strategy: Winning a Green
Industry Award**

In 2012, Vinythai continued ongoing implementation of its systematic approach to improvement of its environment prevention measures and programs, including with regard to solid waste where its rigorous efforts resulted in Zero Landfill.

By way of independent testimony to the effectiveness of these efforts, the Company garnered a "Green Industry Level 4: Green Culture" award and certificate from the Ministry of Industry.

"Green Industry" is defined as adhering to environmentally friendly business operations with a view to sustainable development. Winning companies emphasize continuous development of production and environment management processes while acting in socially responsible ways both within the organization and throughout its supply and demand chains.





Corporate Social Responsibility (CSR)



Ever since Vinythai Public Company Limited started engaging in business and production in Thailand 20 years ago, corporate social responsibility (CSR) has been among its top priorities and fundamental to its operations. Being fully appreciative of the symbiotic relationship between the sustainability of its enterprises and the health and well-being of society, Vinythai helps people and communities realize their potential by engaging them in its CSR projects designed to foster sustainable development and social harmony. The aim of achieving mutual benefit and harmony between the Company's industrial activities and the communities they neighbor, the environments in which they operate and the interests of society in general, is further enhanced in a number of ways, categorized as follows:

Health and Safety for Employees and Surrounding Communities

Believing that "good health is wealth", Vinythai places a high priority on promoting occupational health and safety both among its employees and in surrounding communities. People in poor health are neither happy at work or play. With this in mind, in 2012, the Company implemented a range of projects related to health and safety, as follows:

- The Company initiated a collaboration with Noenphra Municipality and communities in Map Ta Phut to organize the 3rd Noenphra-Vinythai Super Mini Marathon to win the HRH Princess Soamsawali's trophy. The event in 2012 was widely acclaimed both for encouraging youngsters and the public to exercise and for promoting Sangchan-Suchada beach as a tourist destination. Over 1,200 Vinythai employees and their families and others participated.

- As part of its 20th anniversary celebrations, Vinythai made donations to Priest Hospital and Camillian

Social Center Rayong that care for sick orphans living with HIV/AIDS.

- In collaboration with the Office of Disaster Prevention and Mitigation, Rayong and Map Ta Phut Municipality, the Company created a Community Emergency Preparedness Plan for Soi Prapa Community with the aim to establish crisis management systems and mechanisms so as to minimize loss of life and resources.

- As a member of the Chlor-Alkali Products Transportation Emergency Mutual Aid Group, Vinythai led in emergency drills in case of chemical leaks from tank trucks during transportation. The drills ensure that concerned parties are ever ready to competently and speedily contain and neutralize any emergency that may occur.

- Vinythai was one of sponsors of special match of soccer competition – government officials from Ministry of Energy and Ministry of Industry VS super stars of Channel 3 with an aim to raise fund for Health and Global Warming Project of Thai Business Council for Sustainable Development (TBCSD) and Thailand Environment Institute (TEI).

Environmental Conservation

The Company engaged in a wide range of environmental conservation activities, notably:

- Vinythai staff volunteers planted trees at Rak Samaesan at Samaesan Island and at a tree planting event organized by the Industrial Estate Authority of Thailand, where the Company was one of fifty-five organizations to have the honor of planting a Yellow Star Tree in front of a portrait of HRH Crown Prince Maha Vajiralongkorn.

- Every year, Vinythai management and staff enthusiastically participated in International Coastal Clean-up Day at Mae Ramphueng Beach in collaboration with Map Ta Phut Industrial Estate Authority, other industrial enterprises and communities.

- Under Vinythai Water Management System using PVC Pipe Project, the management and staff joined hands to extend a network of PVC pipes to improve the water system for watering plants and a football field in Rayongwitthayakhom Nikhom Utsahakam School.

Educational Support for Young People

Education is a primary prerequisite for sustainable

development. The Company notes that under the National Education Act, all Thai children have an equal right to learning opportunities. In response, Vinythai provides continuous support for education both inside and outside the classroom.

In 2012, Vinythai presented scholarships to 22 students assessed as having insufficient financial support to sustain their education otherwise from 11 schools in Map Ta Phut. Moreover, the Company provided a platform for student bands to attain public performance standards. In addition, Children's Day was marked by the distribution of stationery to the schools.

Activities Supporting Religion, Traditions and Important National 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. For example, in 2012 the Company cooperated with Noenphra Municipality to fund and organize the ceremonial annual presentation of robes. 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 Children's Day in January and Thailand's colorful Loy Kratong Festival in November each year. In addition, the Company's staff participated in sport competition with community and regularly volunteer for worthy causes undertaken as part of significant national celebrations such as His Majesty the King's Birthday (Father's Day) and Her Majesty the Queen's Birthday (Mother's Day).

Occupational Development and Community Well-being

- Vinythai staff regularly visit communities around Map Ta Phut 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 has formed an occupational group comprised of members of Map Kha Map Nai, Soi Ruam



Pattana and Ban Plong communities and empowered them to develop their skills so that they can produce handicrafts of commercial quality or, more specifically, achieve a 5-star OTOP [One Tambon One Product (Thailand)] rating. The Company's support also extends to furnishing professional know-how by organizing a field trip to learn the success story from other occupational group and in-house training courses.

Special Projects

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 15,000 volunteers from government and private sectors, ranging from students to locals and state authorities, were involved in the project in 2012.

With its innovative approach and audacious objective of regenerating coral communities around the country's shores, the project has gained a high media profile.

As part of the project, 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 activity at Samed in Love event in collaboration with the Marine and Coastal



Resources Conservation Center 1 and Rayong Provincial Administrative Organization 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
- Mother's Day coral conservation event at Samaesan, Chon Buri
- Father's Day coral conservation event at Samaesan, Chon Buri
- The Royal Thai Navy Day coral conservation event at Kham Island, Chon Buri
- a coral cultivation event at Samaesan, Chon Buri, involving 200 members of ten communities in the Map Ta Phut area
- a coral cultivation activities organized for Thailand Business Council for Sustainable Development and Thailand Environment Institute Foundation, The Securities and Exchange Commission Thailand and The Stock Exchange of Thailand at Talu island, Prachuap Khiri Khan as well as for Huay Pong Police Management and Map Ta Phut Industrial Estate at Samaesan, Chon Buri and for The Board of Investment of Thailand at Kam island, Trat.

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

In collaboration with the National Science and Technology Development Agency (NSTDA), the Company organized three engineering camps as part of its "PVC Telescopes to Celebrate His Majesty the King's 84th Birthday" project which took place in Samut Sakhon, Lampang and Ubon Ratchathani provinces. The camps fostered engineering development, understanding of

astronomy and practicing of telescope techniques among Thai youngsters. The total duration of the project is from 2011 to 2013. As of end 2012, five camps had been hosted for around 500 youngsters from 54 schools and twelve Science Centers for Education in the central, northern, eastern, north-eastern and southern regions.

BOI Fair 2012

Joining forces with Solvay, Advanced Biochemical (Thailand) and Solvay Peroxythai, Vinythai showcased the group's business, innovation and corporate social responsibility at BOI Fair 2012.

In particular, the group's pavilion showcased 6 meters in length model of Solar Impulse – its contributions to an innovative revolutionary ultra-lightweight airplane of gigantic dimensions capable of flying day and night without fuel through. The team that built it pushed the frontiers of materials science, energy management and man-machine interfacing. A small model of Solar Impulse was presented to Her Royal Highness Princess Maha Chakri Sirindhorn at the event.

Epichlorohydrin, a new bio-based product, along with CSR activities such as coral cultivation and PVC telescope building, were also powerfully presented at the pavilion.



Around 21,000 visitors, including many of the Company's shareholders, passed through the pavilion, each receiving a souvenir bag made of recycled vinyl made by Ban Plong community.

Community Partnership Association

Vinythai is an active member of the Community Partnership Association, a cooperative initiative between industrial enterprises in Map Ta Phut. The first initiative of its kind in Thailand, the members are mutually agreed to develop exemplary environmentally friendly plants that exceed legal requirements. They monitor each other's progress and jointly promote quality of life communities in terms of health and education, all with the ultimate objective of operating sustainable businesses in sustainable communities.



Responsibility Statement from the Board of Directors on Disclosure of the Financial Report



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 2012 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 2012 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



VINYTHAI

Vinythai Public Company Limited and its subsidiaries

Report and consolidated financial statements

31 December 2012

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

I have audited the accompanying consolidated financial statements of Vinythai Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Vinythai Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vinythai Public Company Limited and its subsidiaries and of Vinythai Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Other

The consolidated financial statements of Vinythai Public Company Limited and its subsidiaries, and the separate financial statements of Vinythai Public Company Limited as at 31 December 2011 and for the year then ended, as presented herein for comparative purpose, were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those statements, under his report dated 21 February 2012, and drew attention to the Company and its subsidiaries adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in their preparation and presentation of the financial statements.



(Mr. Supachai Phanyawattano)
Certified Public Accountant (Thailand) No. 3930
Ernst & Young Office Limited
Bangkok: 21 February 2013

Vinythai Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2012

		(Unit:Baht)			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets					
Current assets					
Cash and cash equivalents	6	1,991,096,329	1,172,532,791	796,303,383	1,069,890,622
Trade and other receivables	7	2,223,025,058	2,032,226,831	2,057,909,273	2,037,956,587
Short-term loans to subsidiary	8	-	-	850,000,000	2,100,000,000
Current portion of long-term loan to subsidiary	8	-	-	428,600,000	-
Inventories	9	773,972,856	653,896,432	642,607,549	642,297,559
Other current assets		<u>182,139,929</u>	<u>268,776,949</u>	<u>95,595,867</u>	<u>174,210,039</u>
Total current assets		<u>5,170,234,172</u>	<u>4,127,433,003</u>	<u>4,871,016,072</u>	<u>6,024,354,807</u>
Non-current assets					
Investment in subsidiaries	10	-	-	2,870,497,776	954,097,446
Investment in associated company	11	384,304,780	381,035,672	397,678,320	397,678,320
Long-term loan to subsidiary, net of current portion	8	-	-	2,571,400,000	1,400,000,000
Property, plant and equipment	12	15,424,427,505	14,851,313,374	11,001,468,205	10,862,920,460
Intangible assets	13	360,685,199	232,279,294	55,776,538	1,843,219
Deferred arrangement fee for long-term loan		9,658,331	10,920,982	-	-
Other non-current assets		<u>135,482,167</u>	<u>21,516,377</u>	<u>11,733,406</u>	<u>12,420,671</u>
Total non-current assets		<u>16,314,557,982</u>	<u>15,497,065,699</u>	<u>16,908,554,245</u>	<u>13,628,960,116</u>
Total assets		<u>21,484,792,154</u>	<u>19,624,498,702</u>	<u>21,779,570,317</u>	<u>19,653,314,923</u>

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

Vinythai Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2012

(Unit:Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	14	1,474,325,670	1,752,152,730	1,163,648,310	1,580,630,398
Current portion of long-term loan	15	428,600,000	-	428,600,000	-
Other current liabilities		143,210,125	121,133,391	137,111,328	114,059,720
Total current liabilities		2,046,135,795	1,873,286,121	1,729,359,638	1,694,690,118
Non-current liabilities					
Long-term loan, net of current portion	15	2,571,400,000	1,400,000,000	2,571,400,000	1,400,000,000
Provision for long-term employee benefits	16	70,096,278	65,978,000	70,096,278	65,978,000
Total non-current liabilities		2,641,496,278	1,465,978,000	2,641,496,278	1,465,978,000
Total liabilities		4,687,632,073	3,339,264,121	4,370,855,916	3,160,668,118
Shareholders' equity					
Share capital					
Registered					
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
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
Retained earnings					
Appropriated - statutory reserve	17	675,289,196	570,659,229	675,289,196	570,659,229
Unappropriated		7,725,676,257	7,329,525,129	8,317,293,797	7,509,982,891
Other components of shareholders' equity		(18,678,826)	(29,823,231)	1,257,954	(2,868,769)
Total shareholders' equity		16,797,160,081	16,285,234,581	17,408,714,401	16,492,646,805
Total liabilities and shareholders' equity		21,484,792,154	19,624,498,702	21,779,570,317	19,653,314,923

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

Vinythai Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2012

		(Unit:Baht)			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit or loss:					
Revenues					
Sales		16,933,487,946	14,099,686,334	15,268,954,586	14,099,686,334
Other income					
Interest income		35,558,787	20,305,186	190,023,539	97,569,577
Exchange gain		70,644,223	27,499,587	39,469,194	28,152,537
Others		50,047,242	43,963,000	220,449,438	160,820,800
Total other income		<u>156,250,252</u>	<u>91,767,773</u>	<u>449,942,171</u>	<u>286,542,914</u>
Total revenues		<u>17,089,738,198</u>	<u>14,191,454,107</u>	<u>15,718,896,757</u>	<u>14,386,229,248</u>
Expenses					
Cost of sales		14,055,264,511	11,203,734,752	12,454,230,694	11,203,734,752
Selling expenses		828,270,936	646,624,754	674,432,175	646,624,754
Administrative expenses		365,212,611	263,597,701	339,821,906	292,639,030
Loss on disposal of equipment		<u>27,923,146</u>	<u>77,534,425</u>	<u>27,923,146</u>	<u>77,534,425</u>
Total expenses		<u>15,276,671,204</u>	<u>12,191,491,632</u>	<u>13,496,407,921</u>	<u>12,220,532,961</u>
Profit before shares of profit from investment in associated company and finance cost		1,813,066,994	1,999,962,475	2,222,488,836	2,165,696,287
Shares of profit from investment in associated company		<u>3,269,108</u>	<u>2,341,970</u>	-	-
Profit before financial cost		1,816,336,102	2,002,304,445	2,222,488,836	2,165,696,287
Finance cost		<u>(124,627,357)</u>	<u>(13,052,950)</u>	<u>(128,442,675)</u>	<u>(49,664,870)</u>
Profit for the year	19	<u>1,691,708,745</u>	<u>1,989,251,495</u>	<u>2,094,046,161</u>	<u>2,116,031,417</u>
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(6,694,598)	-	-	-
Change in the value of derivative instruments		6,834,809	5,544,678	4,126,723	(7,169,497)
Actuarial gains (losses)		<u>3,088,156</u>	<u>(4,058,000)</u>	<u>3,088,156</u>	<u>(4,058,000)</u>
Other comprehensive income for the year		<u>3,228,367</u>	<u>1,486,678</u>	<u>7,214,879</u>	<u>(11,227,497)</u>
Total comprehensive income for the year		<u>1,694,937,112</u>	<u>1,990,738,173</u>	<u>2,101,261,040</u>	<u>2,104,803,920</u>

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

Vinythai Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2012

		(Unit:Baht)			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit attributable to:					
Equity holders of the Company		1,682,886,383	1,989,251,495	<u>2,094,046,161</u>	<u>2,116,031,417</u>
Shareholders of subsidiary before combination of business under common control	10	<u>8,822,362</u>	<u>-</u>		
		<u>1,691,708,745</u>	<u>1,989,251,495</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		1,686,114,750	1,990,738,173	<u>2,101,261,040</u>	<u>2,104,803,920</u>
Shareholders of subsidiary before combination of business under common control	10	<u>8,822,362</u>	<u>-</u>		
		<u>1,694,937,112</u>	<u>1,990,738,173</u>		
Basic earnings per share					
Profit attributable to equity holders of the Company	21	<u>1.42</u>	<u>1.68</u>	<u>1.77</u>	<u>1.79</u>

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

Vinythai Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2012

(Unit:Baht)

Consolidated financial statements

		Other components of equity										
		Other comprehensive income										
		Exchange differences on translation of financial statements in foreign currency		Change in the value of derivative instruments		Differences on business combination under common control		Total other components of shareholders' equity		Total shareholders' equity		
Note	Issued and paid-up share capital	Premium on share capital	Retained earnings									
			Statutory reserve	Unappropriated								
	7,111,160,664	1,303,712,790	464,857,658	6,279,768,616								
24	-	-	-	(829,635,411)								
	-	-	-	1,989,251,495								
	-	-	-	(4,058,000)								
	-	-	105,801,571	(105,801,571)								
17	-	-	570,659,229	7,329,525,129								
	7,111,160,664	1,303,712,790	570,659,229	7,329,525,129								
	7,111,160,664	1,303,712,790	570,659,229	7,329,525,129								
24	-	-	-	(1,185,193,444)								
	-	-	-	-								
10	-	-	-	-								
	-	-	-	1,682,886,383								
	-	-	-	3,088,156								
17	-	-	104,629,967	(104,629,967)								
	7,111,160,664	1,303,712,790	675,289,196	7,725,676,257								
	7,111,160,664	1,303,712,790	675,289,196	7,725,676,257								

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

Vinythai Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2012

(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 shareholders' equity
				Statutory reserve	Unappropriated	
Balance as at 1 January 2011		7,111,160,664	1,303,712,790	464,857,658	6,333,446,456	15,217,478,296
Dividend paid	24	-	-	-	(829,635,411)	(829,635,411)
Profit for the year		-	-	-	2,116,031,417	2,116,031,417
Other comprehensive income for the year		-	-	-	(4,058,000)	(11,227,497)
Transfer unappropriated retained earnings to statutory reserve	17	-	-	105,801,571	(105,801,571)	-
Balance as at 31 December 2011		<u>7,111,160,664</u>	<u>1,303,712,790</u>	<u>570,659,229</u>	<u>(2,868,769)</u>	<u>16,492,646,805</u>
Balance as at 1 January 2012		7,111,160,664	1,303,712,790	570,659,229	(2,868,769)	16,492,646,805
Dividend paid	24	-	-	-	(1,185,193,444)	(1,185,193,444)
Profit for the year		-	-	-	2,094,046,161	2,094,046,161
Other comprehensive income for the year		-	-	-	3,088,156	7,214,879
Transfer unappropriated retained earnings to statutory reserve	17	-	-	104,629,967	(104,629,967)	-
Balance as at 31 December 2012		<u>7,111,160,664</u>	<u>1,303,712,790</u>	<u>675,289,196</u>	<u>1,257,954</u>	<u>17,408,714,401</u>

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

Vinythai Public Company Limited and its subsidiaries

Cash flow statements

For the year ended 31 December 2012

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from operating activities				
Profit	1,691,708,745	1,989,251,495	2,094,046,161	2,116,031,417
Adjustments to reconcile profit to net cash provided by (paid from) operating activities:				
Depreciation and amortization	1,257,092,411	898,165,612	962,189,350	897,929,861
Adjustment of inventory to net realizable value	14,284,880	(760,490)	3,904,655	(760,490)
Unrealized loss on exchange	6,071,000	685,873	1,472,667	882,546
Share of income from investment in associated company	(3,269,108)	(2,341,970)	-	-
Loss on disposal of equipment	27,923,146	77,534,425	27,923,146	77,534,425
Provision for long-term employee benefits	7,206,434	15,082,696	7,206,434	15,082,696
Interest income	(13,826,877)	(5,377,403)	(168,332,236)	(85,717,334)
Interest expenses	<u>101,653,903</u>	<u>3,937</u>	<u>106,920,927</u>	<u>36,773,044</u>
Profit from operating activities before changes in operating assets and liabilities	3,088,844,534	2,972,244,175	3,035,331,104	3,057,756,165
Operating assets (increase) decrease				
Trade and other receivables	(196,236,447)	81,688,834	(24,228,937)	89,149,752
Inventories	(134,361,304)	(47,564,060)	(4,214,645)	(35,965,187)
Other current assets	88,056,984	(53,885,342)	79,952,451	(43,364,226)
Operating liabilities increase (decrease)				
Trade and other payables	199,308,607	212,240,173	(170,554,348)	208,323,757
Other current liabilities	<u>29,494,143</u>	<u>(26,682,475)</u>	<u>28,661,591</u>	<u>(16,863,763)</u>
Cash flows from operating activities	3,075,106,517	3,138,041,305	2,944,947,216	3,259,036,498
Cash paid for interest expenses	<u>(100,646,149)</u>	<u>-</u>	<u>(105,913,173)</u>	<u>(36,448,220)</u>
Net cash flows from operating activities	<u>2,974,460,368</u>	<u>3,138,041,305</u>	<u>2,839,034,043</u>	<u>3,222,588,278</u>

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

Vinythai Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2012

(Unit:Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flow used in investing activities				
Cash paid for investments in subsidiaries	-	-	(1,916,400,330)	-
Net cash from business combination under common control (Note 10)	2,181,832	-	-	-
Decrease (increase) in short-term loans to subsidiary	-	-	1,250,000,000	(1,080,000,000)
Increase in long-term loan to subsidiary	-	-	(1,600,000,000)	(1,300,000,000)
Cash received from interest income	13,826,877	5,377,403	167,324,482	85,392,510
Acquisition of equipment and intangible asset	(2,538,332,179)	(3,271,877,204)	(1,429,642,708)	(1,145,287,148)
Cash paid for interest capitalized as part of construction in progress	(5,266,525)	(36,448,220)	-	-
Proceeds from sales of equipment	76,400,357	2,036,325	603,453	2,036,325
Decrease (increase) in other non-current assets	<u>(112,819,081)</u>	<u>(13,962,523)</u>	<u>687,265</u>	<u>(8,221,560)</u>
Net cash flows used in investing activities	<u>(2,564,008,719)</u>	<u>(3,314,874,219)</u>	<u>(3,527,427,838)</u>	<u>(3,446,079,873)</u>
Cash flows from financing activities				
Cash received from long-term loan	1,600,000,000	1,300,000,000	1,600,000,000	1,300,000,000
Dividend paid	<u>(1,185,193,444)</u>	<u>(829,635,411)</u>	<u>(1,185,193,444)</u>	<u>(829,635,411)</u>
Net cash flows from financing activities	<u>414,806,556</u>	<u>470,364,589</u>	<u>414,806,556</u>	<u>470,364,589</u>
Decrease in translation adjustments	<u>(6,694,667)</u>	-	-	-
Net increase (decrease) in cash and cash equivalents	818,563,538	293,531,675	(273,587,239)	246,872,994
Cash and cash equivalents at beginning of year	<u>1,172,532,791</u>	<u>879,001,116</u>	<u>1,069,890,622</u>	<u>823,017,628</u>
Cash and cash equivalents at end of year	<u>1,991,096,329</u>	<u>1,172,532,791</u>	<u>796,303,383</u>	<u>1,069,890,622</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	-	266,136,199

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

Vinythai Public Company Limited and its subsidiaries

Notes to financial statements For the year ended 31 December 2012

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, a company incorporated in Thailand. Its registered address is No. 2, I-3 Road, Tambon Map Ta Phut, Amphoe Mueang, Rayong.

The Company and its subsidiaries is principally engaged in the manufacture and distribution of Polyvinyl Chloride, Vinyl Chloride Monomer, Sodium Hydroxide (Caustic Soda) and Epichlorohydrin.

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 companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012	2011
			Percent	Percent
<u>Held by the Company</u>				
- Advanced Biochemical (Thailand) Company Limited	Manufactured and trading of chemical product	Thailand	100	100
- Vinythai Holding Pte. Limited	Holding company	Singapore	100	-
<u>Held by the subsidiary</u>				
Solvay Biochemicals (Taixing) Limited (Held by Vinythai Holding Pte. Limited)	Manufactured and trading of chemical product	China	100	-

b) As described in Note 10 to the financial statements, with respect to the purchases of investments in two subsidiaries, the amount by which the acquisition costs under common control exceed the net book values, totaling Baht 14 million, is recorded under the caption of "Differences on business combination under common control" in shareholders' equity in the statement of financial position. These acquisitions were considered to be business combination under common control.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

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

e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

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

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

3. New accounting standards 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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard 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 and its subsidiaries' 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 standard.

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. The effect of the adoption to the financial statements of the Company and its subsidiaries will be to decrease profit for the year 2012 by Baht 130 million (0.11 Baht per share) and increase brought-forward retained earnings of the year 2012 by Baht 179 million (0.15 Baht per share) [separate financial statements: decrease profit for the year 2012 by Baht 150 million (0.13 Baht per share) and increase brought-forward retained earnings of the year 2012 by Baht 179 million (0.15 Baht per share)].

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

		Effective date
Accounting Treatment Guidance for Transfers of Financial Assets		1 January 2013
Accounting Standard Interpretation:		
SIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company is evaluating the first-year impact to the financial statements of the accounting treatment guidance and accounting standard interpretations and has yet to reach a conclusion.

4. Significant accounting policies

4.1 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.

4.2 Cash and cash equivalents

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

4.3 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.

4.4 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.

4.5 Investments

Investments in subsidiaries and associated company are accounted for in the separate financial statements using the cost method net of allowance for loss on diminution in value (if any).

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

The Company and its subsidiaries purchased ordinary shares of two subsidiaries from their former shareholders for the purpose of an internal restructuring of the group. The Company therefore recorded the difference between the acquisition cost of the investment and the attributable net book value of each subsidiary in shareholders' equity under the caption "Differences on business combination under common control", to accord with "Accounting Treatment Guidance for Business Combination under Common Control".

4.6 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.

4.7 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.

4.8 Intangible assets

The intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses (if any).

Intangible assets with finite useful lives are amortized on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method of such intangible assets are reviewed at least at each financial year end. The amortization expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Licenses	15 to 20 years
Computer software	10 years
Land-use right	In accordance with land-use right agreement (50 years)

4.9 Related party transactions

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

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

4.10 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.

4.11 Impairment of assets

The Company and its subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company and its subsidiaries 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.

An impairment loss is recognized in profit or loss.

4.12 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.

4.13 Provisions

Provisions are recognized when the Company and its subsidiaries 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.

4.14 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.

4.15 Derivatives

Forward exchange contracts

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

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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 subsidiaries' 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.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash on hand	3,486	8,021	3,466	8,001
Cash at banks - current accounts and saving accounts	1,987,610	564,718	792,837	462,096
Bank of Thailand bonds	-	599,794	-	599,794
Total	1,991,096	1,172,533	796,303	1,069,891

7. Trade and other receivable

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	110,392	13,251	39,747	13,840
Past due				
Up to 3 months	7,287	-	7,287	-
Total trade receivables - related parties	117,679	13,251	47,034	13,840
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,890,077	1,722,027	1,775,728	1,722,027
Past due				
Up to 3 months	190,258	264,968	190,258	264,968
Over 12 months	484,588	484,750	484,588	484,750
Total	2,564,923	2,471,745	2,450,574	2,471,745
Less: Allowance for doubtful debts	(494,588)	(494,588)	(494,588)	(494,588)
Total trade receivables - unrelated parties, net	2,070,335	1,977,157	1,955,986	1,977,157
Total trade receivables - net	2,188,014	1,990,408	2,003,020	1,990,997
<u>Other receivables</u>				
Other receivables - related parties	35,011	41,518	54,889	46,659
Other receivables - unrelated parties	-	301	-	301
Other receivables	35,011	41,819	54,889	46,960
Trade and other receivables - net	2,223,025	2,032,227	2,057,909	2,037,957

8. 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
Vinythai Holding Pte. Limited	Singapore	Subsidiary company
Solvay Biochemicals (Taixing) Limited (100% held by Vinythai Holding Pte. Limited)	China	Subsidiary company
Pimai Salt Company Limited	Thailand	Associated company
PTT Global 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 subsidiaries 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
	2012	2011	2012	2011	
<u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements)					
Sales of goods	-	-	330	-	Normal market rates
Service income	-	-	171	119	Normal market rates
Interest income	-	-	162	80	Normal market rates
Purchase of raw materials	-	-	55	-	Normal market rates
Purchase of fixed assets	-	-	76	-	Net book value
Other expense	-	-	7	-	Normal market rates

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2012	2011	2012	2011	
<u>Transaction with associated company</u>					
Purchase of raw materials	425	366	425	366	Contract prices of salt which approximate production costs
<u>Transactions with related companies</u>					
Sales of goods	1,001	139	153	139	Market prices
Other income	151	12	2	6	Market prices
Purchase of raw materials	6,494	6,120	6,494	6,120	Average Ethylene market prices in major regions worldwide and market prices
Purchase of spare parts, services expenses and others	83	96	82	94	Market prices
License expenses and technical assistance services	171 ¹	130 ¹	33	84	Normal market rates
Commission expenses	10	5	4	5	Normal market rates
Insurance premium and management commission expenses	9	9	9	9	Normal market rates

¹ Including fees of Baht 138 million (2011: Baht 46 million), relating to construction of a new plant as mentioned in Note 25.1.2, which is included in property, plant and equipment and intangible asset.

As at 31 December 2012 and 2011, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade and other receivables - related parties (Note 7)</u>				
Subsidiaries	-	-	55,662	10,291
Related companies (related by major shareholder)	152,690	54,769	46,261	50,208
Total trade and other receivables - related parties	152,690	54,769	101,923	60,499
<u>Trade and other payables - related parties (Note 14)</u>				
Subsidiaries	-	-	3,862	-
Associated company	35,904	39,048	35,904	39,048
Related companies (related by major shareholder)	774,608	657,378	617,499	653,689
Total and other payables - related parties	810,512	696,426	657,265	692,737

Short-term loans to subsidiary

As at 31 December 2012, the outstanding balance represented loans to subsidiary, carrying interest at normal market rate, and repayable at call.

Long-term loan to subsidiary

On 22 July 2010, 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 2012, movements of loans to subsidiary are as follows:

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 1 January 2012	During the year		Balance as at 31 December 2012
		Increase	Decrease	
<u>Short-term loans to subsidiary</u>				
Advanced Biochemical (Thailand) Company Limited	2,100	750	(2,000)	850
<u>Long-term loan to subsidiary</u>				
Advanced Biochemical (Thailand) Company Limited	1,400	1,600	-	3,000

Directors and management's benefits

During the year ended 31 December 2012 and 2011, 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	
	2012	2011	2012	2011
Short-term employee benefits	92	92	79	81
Post-employment benefits	1	1	1	1
Total	93	93	80	82

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realizable value		Inventories - net	
	2012	2011	2012	2011	2012	2011
Finished goods	188,169	257,210	(12,034)	-	176,135	257,210
Raw materials	400,066	198,525	-	(53)	400,066	198,472
Packing materials	2,432	5,759	-	-	2,432	5,759
Spare parts and factory supplies	208,340	203,152	(13,000)	(10,697)	195,340	192,455
Total	799,007	664,646	(25,034)	(10,750)	773,973	653,896

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realizable value		Inventories - net	
	2012	2011	2012	2011	2012	2011
Finished goods	144,915	257,210	(1,654)	-	143,261	257,210
Raw materials	303,745	186,927	-	(53)	303,745	186,874
Packing materials	2,432	5,759	-	-	2,432	5,759
Spare parts and factory supplies	206,170	203,152	(13,000)	(10,697)	193,170	192,455
Total	657,262	653,048	(14,654)	(10,750)	642,608	642,298

10. Investment in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Currency	Shareholding percentage		Cost	
	2012	2011		2012 (%)	2011 (%)	2012	2011
Advanced Biochemical (Thailand) Company Limited	1,500	1,000	Million Baht	100	100	1,454,098	954,097

(Unit: Thousand Baht)

Company's name	Paid-up capital		Currency	Shareholding percentage		Cost	
	2012	2011		2012 (%)	2011 (%)	2012	2011
Vinythai Holding Pte. Limited	287	-	Million RMB	100	-	1,416,400	-
Total						2,870,498	954,097

During the years, the Company received no dividend from these subsidiaries.

Movements of the investments in subsidiaries during the year ended 31 December 2012 are summarized below.:

Investment in Advanced Biochemical (Thailand) Company Limited

On 5 April 2012, the Company paid an additional share capital of Baht 500 million into Advanced Biochemical (Thailand) Company Limited while its shareholding in that company remains unchanged at 100 percent.

Investment in Vinythai Holding Pte. Limited

On 24 July 2012, the Extraordinary General Meeting of the Shareholders passed a resolution to approve the incorporation of Vinythai Holding Pte. Limited, a company registered in Singapore, of which the registered capital is 100 percent held by the Company. This subsidiary registered its incorporation during the current year with registered share capital, as at 31 December 2012, of RMB 287 million.

On 7 December 2012, Vinythai Holding Pte. Limited, a subsidiary, acquired 100 percent of the ordinary shares of Solvay Biochemicals (Taixing) Limited, a company registered in the People's Republic of China, from Solvay Chemicals and Plastics Holding B.V. (the related company) for a total consideration of RMB 207 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 11 million (comprise of the difference on business combination under common control as at incorporation date and profit attribute to shareholders of subsidiary before business combination under common control amounting to Baht 2 million and 9 million, respectively) was thus presented as "Differences on business combination under common control" in shareholders' equity in the statement of financial position. Regardless of the date of business combination under common control (the date of the acquisition of the subsidiary's ordinary shares), the consolidated statements of comprehensive income for the year ended 31 December 2012 included the operating results of Solvay Biochemicals (Taixing) Limited were included in from 19 April 2012 (the incorporation date) to 31 December 2012.

On 24 December 2012, the subsidiary paid an additional share capital of RMB 79 million into Solvay Biochemicals (Taixing) Limited while its shareholding in that company remains unchanged at 100 percent.

Differences on business combination under common control

Details of differences on business combination under common control in the consolidated financial statements as at 31 December 2012 and 2011 are as follows:

(Unit: Thousand Baht)

Consolidated financial statements					
The subsidiaries	Acquisition date	Acquisition cost	Attributable net book value	Differences on business combination under common control	
		As at acquisition date		2012	2011
Advanced Biochemical (Thailand) Company Limited	4 January 2010	360,000	334,879	25,121	25,121
Solvay Biochemicals (Taixing) Limited	7 December 2012	1,021,903	1,032,907	(11,004)	-
Total				14,117	25,121

11. Investment in associate

As at 31 December 2012 and 2011, details of the Company's 28.49% holding in Pimai Salt Company Limited, an associated company which is incorporated in Thailand and is principally engaged in the manufacture and distribution of industrial salt, are as follows:

(Unit: Baht)

	As at 31 December	
	2012	2011
Investment in associated company - at cost	397,678	397,678
Accumulated share of loss in associated company	(13,373)	(16,642)
Investment in associated company - equity method	384,305	381,036

During the years, the Company received no dividend from this associated company.

Financial information of the associated company for the year ended 31 December 2012 and 2011 is summarized below.

(Unit: Million Baht)

	2012	2011
Paid-up capital	194	194
Total assets	2,336	2,431
Total liabilities	1,146	1,249
Total revenues	1,439	1,480
Net income	11	11

12. 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 2011	2,909	1,956,327	15,459,206	305,523	6,719	2,720,653	20,451,337
Additions	-	22,307	169,611	7,844	-	2,874,309	3,074,071
Disposals	-	(44,449)	(86,817)	(106)	-	-	(131,372)
Transferred in (out)	-	-	34,204	(34,204)	-	-	-
31 Dec 2011	2,909	1,934,185	15,576,204	279,057	6,719	5,594,962	23,394,036
Additions	-	-	-	561	-	1,913,683	1,914,244
Disposals	-	(1,014)	(138,519)	(233)	(42)	(5,431)	(145,239)
Transferred in (out)	-	759,980	6,067,627	10,079	-	(6,837,686)	-
31 Dec 2012	2,909	2,693,151	21,505,312	289,464	6,677	665,528	25,163,041
Accumulated depreciation:							
1 Jan 2011	-	598,986	6,835,917	249,888	6,719	-	7,691,510
Depreciation for the year	-	43,708	846,701	7,174	-	-	897,583
Depreciation on disposals	-	(13,698)	(38,021)	(82)	-	-	(51,801)
Transferred in (out)	-	-	20,118	(20,118)	-	-	-
31 Dec 2011	-	628,996	7,664,715	236,862	6,719	-	8,537,292
Depreciation for the year	-	69,464	1,159,123	8,219	-	-	1,236,806
Depreciation on disposals	-	(341)	(34,944)	(158)	(42)	-	(35,485)
31 Dec 2012	-	698,119	8,788,894	244,923	6,677	-	9,738,613
Allowance for impairment loss:							
31 Dec 2011	-	-	-	-	-	5,431	5,431
Decrease during the year	-	-	-	-	-	(5,431)	(5,431)
31 Dec 2012	-	-	-	-	-	-	-
Net book value:							
31 Dec 2011	2,909	1,305,189	7,911,489	42,195	-	5,589,531	14,851,313
31 Dec 2012	2,909	1,995,032	12,716,418	44,541	-	665,528	15,424,428
Depreciation for the year							
2011 (Baht 880 million included in manufacturing cost, and the balance in selling and administrative expenses)							897,583
2012 (Baht 1,218 million included in manufacturing cost, and the balance in selling and administrative expenses)							1,236,806

(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 2011	2,909	1,956,327	15,459,206	304,904	6,719	425,226	18,155,291
Additions	-	22,307	169,611	7,270	-	1,176,682	1,375,870
Disposals	-	(44,449)	(86,817)	(106)	-	-	(131,372)
Transferred in (out)	-	-	34,204	(34,204)	-	-	-
31 Dec 2011	2,909	1,934,185	15,576,204	277,864	6,719	1,601,908	19,399,789
Additions	-	-	-	-	-	1,127,315	1,127,315
Disposals	-	(1,014)	(58,278)	(233)	(42)	-	(59,567)
Transferred in (out)	-	222,236	2,186,450	9,532	-	(2,418,218)	-
31 Dec 2012	2,909	2,155,407	17,704,376	287,163	6,677	311,005	20,467,537
Accumulated depreciation:							
1 Jan 2011	-	598,986	6,835,917	249,701	6,719	-	7,691,323
Depreciation for the year	-	43,708	846,701	6,938	-	-	897,347
Depreciation on disposals	-	(13,698)	(38,021)	(82)	-	-	(51,801)
Transferred in (out)	-	-	20,118	(20,118)	-	-	-
31 Dec 2011	-	628,996	7,664,715	236,439	6,719	-	8,536,869
Depreciation for the year	-	50,358	902,228	7,655	-	-	960,241
Depreciation on disposals	-	(341)	(30,500)	(158)	(42)	-	(31,041)
31 Dec 2012	-	679,013	8,536,443	243,936	6,677	-	9,466,069
Net book value:							
31 Dec 2011	2,909	1,305,189	7,911,489	41,425	-	1,601,908	10,862,920
31 Dec 2012	2,909	1,476,394	9,167,933	43,227	-	311,005	11,001,468
Depreciation for the year							
2011 (Baht 880 million included in manufacturing cost, and the balance in selling and administrative expenses)							897,347
2012 (Baht 942 million included in manufacturing cost, and the balance in selling and administrative expenses)							960,241

Construction of the plant has been financed with a loan from financial institutions and borrowing costs totaling approximately Baht 12 million (2011: 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.

13. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Licenses	Computer software	Land-use right	Assets under installation and under construction	Total
Cost:					
1 January 2011	-	58,775	-	-	58,775
Additions	-	1,190	-	230,436	231,626
31 December 2011	-	59,965	-	230,436	290,401
Additions	-	12	22,719	125,963	148,694
Transferred in (out)	356,399	-	-	(356,399)	-
31 December 2012	356,399	59,977	22,719	-	439,095
Accumulated amortization:					
1 January 2011	-	57,539	-	-	57,539
Amortization for the year	-	583	-	-	583
31 December 2011	-	58,122	-	-	58,122
Amortization for the year	19,739	549	-	-	20,288
31 December 2012	19,739	58,671	-	-	78,410
Net book value:					
31 December 2011	-	1,843	-	230,436	232,279
31 December 2012	336,660	1,306	22,719	-	360,685

(Unit: Thousand Baht)

	Separate financial statements				
	Licenses	Computer software	Land-use right	Assets under installation and under construction	Total
Cost:					
1 January 2011	-	58,775	-	-	58,775
Additions	-	1,190	-	-	1,190
31 December 2011	-	59,965	-	-	59,965
Additions	-	-	-	55,882	55,882
Transferred in (out)	55,882	-	-	(55,882)	-
31 December 2012	55,882	59,965	-	-	115,847

(Unit: Thousand Baht)

	Separate financial statements				
	Licenses	Computer software	Land-use right	Assets under installation and under construction	Total
Accumulated amortization:					
1 January 2011	-	57,539	-	-	57,539
Amortization for the year	-	583	-	-	583
31 December 2011	-	58,122	-	-	58,122
Amortization for the year	1,401	548	-	-	1,949
31 December 2012	1,401	58,670	-	-	60,071
Net book value:					
31 December 2011	-	1,843	-	-	1,843
31 December 2012	54,481	1,295	-	-	55,776

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables - related parties	786,712	667,959	640,901	667,959
Trade payables - unrelated parties	471,650	468,563	396,866	468,563
Other payables - related parties	23,800	28,467	16,364	24,778
Other payables - unrelated parties	84,376	433,797	19,690	266,136
Accrued expenses	107,788	153,367	89,827	153,194
Total trade and other payables	1,474,326	1,752,153	1,163,648	1,580,630

15. 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 2012, the Company has drawn down a total of Baht 3,000 million from such facility (31 December 2011: Baht 1,400 million). The loan contains various covenants and conditions with which the Company has to comply.

Long-term loan as at 31 December 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements	
	2012	2011
Outstanding balance as at 31 December	3,000,000	1,400,000
Less: Current portion	(428,600)	-
Long-term loan, net of current portion	2,571,400	1,400,000

16. Provision for long-term employee benefits

Provision for long-term employee benefits, 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	
	2012	2011	2012	2011	2012	2011
Defined benefit obligation at beginning of year	61,065	42,791	4,913	4,046	65,978	46,837
Current service cost	4,989	9,498	417	1,052	5,406	10,550
Interest cost	2,527	4,718	253	532	2,780	5,250
Benefits paid during the year	-	-	(980)	(1,447)	(980)	(1,447)
Actuarial loss (gain)	(3,088)	4,058	-	730	(3,088)	4,788
Defined benefit obligation at end of year	65,493	61,065	4,603	4,913	70,096	65,978

Long-term employee benefit expenses as included in the profit or loss were as follows:

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements	
	2012	2011
Current service cost	5,406	10,550
Interest cost	2,780	5,250
Total expense recognized in profit or loss	8,186	15,800
Line items under which such expenses are included in profit or loss		
Cost of sales	3,615	13,367
Selling and administrative expenses	4,571	2,433

Total actuarial gains recognized in the other comprehensive income of the Company and its subsidiaries as at 31 December 2012 amounted to Baht 1 million (2011: actuarial loss of Baht 4 million).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated/ Separate financial statements	
	(% per annum)	
	2012	2011
Discount rate	3.8	3.8
Future salary increase rate	6.0	6.0
Staff turnover rate (depending on employee's age)	1.9 - 22.9	1.9 - 22.9

Amounts of defined benefit obligation for the current and previous year are as follows:

(Unit: Thousand Baht)

	Legal severance payment plan
	Consolidated/Separate financial statements
2012	69,730
2011	62,401

17. 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.

18. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Salaries and wages and other employee benefits	567,816	609,645	549,614	593,689
Depreciation and amortization	1,257,092	898,166	962,189	897,929
Rental expenses	40,636	56,468	38,353	54,530
Raw materials and consumables used	9,373,636	7,501,152	7,757,116	7,501,124
Electricity and fuel cost	3,502,245	2,493,484	3,209,937	2,493,484
Changes in inventories of finished goods and work in progress	(36,151)	(28,894)	(2,332)	(28,894)

19. 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.

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

Corporate income tax of the overseas subsidiaries were calculated in accordance with the accounting standards and/or tax law of that company's country of domicile.

20. 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	2012(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	Manufacture of additional volumes of Caustic Soda and hydrogen 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	8 years

Details of investment promotional privileges						
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	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	Granted
4. Date of first earning operating income	1 August 1992	1 June 2002	1 January 2007	1 August 2008	1 January 2011	1 July 2012

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	
	2012	2011	2012	2011	2012	2011
Revenues						
Sales	6,870,645	9,405,392	8,398,310	4,694,294	15,268,955	14,099,686
Other income						
Interest income	10,378	17,230	179,646	80,340	190,024	97,570
Exchange gain	17,760	18,779	21,709	9,373	39,469	28,152
Others	1,350	22,666	219,099	138,155	220,449	160,821
Total revenues	6,900,133	9,464,067	8,818,764	4,922,162	15,718,897	14,386,229

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 (7 February 2012), 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.

21. Earnings per share

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

22. Financial information by segment

The Company and its subsidiaries' major operations are the manufacturing and distribution of PVC, VCM, Caustic Soda, Epichlorohydrin and related by-products for both domestic and export markets while an overseas subsidiary carries on investment activity. However, during the year under audit, the investment activity was insignificant. Therefore, no presentation of financial information by segment and geographic area has been made.

For the year ended 31 December 2012, the export sales represented approximately 28 percent (For the year ended 31 December 2011: 24 percent) of total sales.

23. 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 2012, the Company contributed approximately Baht 16 million (2011: Baht 16 million) to the fund.

24. Dividend

Dividends declared in 2012 and 2011 consisted of the following:

(Unit: Thousand Baht)

	Approved by	Total dividends	Dividend per share	Paid on
Dividend from 2011 retained earnings	Annual General Meeting of the shareholders on 27 April 2012	1,185,193	1.00	25 May 2012
Dividend from 2010 retained earnings	Annual General Meeting of the shareholders on 28 April 2011	829,635	0.70	27 May 2011

25. Commitments and contingent liabilities

25.1 Capital commitments

25.1.1 As at 31 December 2012, the Company and its subsidiaries had capital commitments of approximately Baht 22 million, Euro 1 million and RMB 198 million (2011: Baht 90 million and Euro 1 million), relating to the construction of factory buildings and acquisition of machinery and equipment [the Company only: Baht 10 million (2011: Baht 8 million)].

25.1.2 For the purpose of construction of a new plant and expansion of production capacity, the Company and its subsidiaries entered into license agreements and technical assistance services agreements with Solvay S.A. As at 31 December 2012, the Company and its subsidiaries had outstanding commitments related to the agreements for a total of Euro 7 million (2011: Euro 5 million). (the Company only: 2011: Euro 3 million).

25.2 Lease commitments

As at 31 December 2012 and 2011, the Company and its subsidiaries had the following lease commitments:

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

(Unit: Million Baht)

	As at 31 December	
	2012	2011
Payable:		
in up to 1 year	9	9
In over 1 and up to 5 years	38	38
In over 5 years	42	52

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

(Unit: Million Baht)

	As at 31 December	
	2012	2011
Payable:		
in up to 1 year	123	136
In over 1 and up to 5 years	424	472
In over 5 years	773	927

25.3 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.

25.4 Bank guarantees

As at 31 December 2012, there were outstanding bank guarantees and standby letters of credit totaling Baht 20 million (2011: Baht 21 million) [the Company only: Baht 19 million (2011: Baht 19 million)] issued by banks on behalf of the Company and its subsidiaries as required in their normal course of business.

26. Financial instruments

26.1 Financial risk management

The Company and its subsidiaries' 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 subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures. In addition, the Company and its subsidiaries 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 2012 and 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 as at 31 December 2012			
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total
Financial assets				
Cash and cash equivalents	-	1,991	-	1,991
Trade and other receivables	-	-	2,223	2,223
Total	-	1,991	2,223	4,214
Financial liabilities				
Trade and other payables	-	-	1,474	1,474
Long-term loan	-	3,000	-	3,000
Total	-	3,000	1,474	4,474

(Unit: Million Baht)

	Separate financial statements as at 31 December 2012			
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total
Financial assets				
Cash and cash equivalents	-	796	-	796
Trade and other receivables	-	-	2,058	2,058
Short-term loan to subsidiary	850	-	-	850
Long-term loan to subsidiary	-	3,000	-	3,000
Total	850	3,796	2,058	6,704
Financial liabilities				
Trade and other payables	-	-	1,164	1,164
Long-term loan	-	3,000	-	3,000
Total	-	3,000	1,164	4,164

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2011			
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total
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 as at 31 December 2011			
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total
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 subsidiaries' exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when it considers appropriate.

As at 31 December 2012 and 2011, the Company and its subsidiaries had outstanding forward exchange contracts, of which details are presented below.

As at 31 December 2012					
Foreign currencies	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity period
			Bought	Sold	
			(Baht per 1 foreign currency unit)		
US dollar	-	21.3	-	30.9787	April - August 2013
Japanese yen	-	3.3	-	0.3666	March 2013

As at 31 December 2011					
Foreign currencies	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity period
			Bought	Sold	
			(Baht per 1 foreign currency unit)		
US dollar	-	11.7	-	31.5012	February - September 2012
Euro	1.8	-	43.1785	-	January - March 2012

The balances of financial assets and liabilities denominated in foreign currencies are summarized below.

Foreign currencies	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2012	2011	2012	2011	2012	2011
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 unit of foreign currency)	
US dollar	16.1	8.3	1.3	0.1	30.6316	31.6912
Euro	0.4	0.1	1.0	0.9	40.5563	41.0274
Japanese yen	9.6	-	0.6	10.0	0.3545	0.4124

26.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' 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.

27. Capital management

The primary objective of the Company and its subsidiaries' 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 subsidiaries manage its capital position with reference to its debt-to-equity ratio. As at 31 December 2012, the Company and its subsidiaries' debt-to-equity ratio was 0.28:1 (2011: 0.21:1) and the Company's was 0.25:1 (2011: 0.19:1).

28. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 21 February 2013.



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 14 March 2012)

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

Advanced 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.

Vinythai Holding Pte. Ltd.

Vinythai Holding Pte. Limited, a company registered in Singapore, the subsidiary company of Vinythai, holds 100% of the ordinary shares of Solvay Biochemicals (Taixing) Limited with its registered share capital of RMB 287 million.

Vinythai Holding Pte. Limited office is located at: 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore.

Solvay Biochemicals (Taixing) Ltd.

Solvay Biochemicals (Taixing) Limited, a company registered in the People's Republic of China, the subsidiary company of Vinythai, principally engaged in manufacturing and trading of chemical product. Vinythai holds 100% of the ordinary shares of Solvay Biochemicals (Taixing) Limited via Vinythai Holding Pte. Ltd. amounting to RMB 286 million.

Solvay Biochemicals (Taixing) Limited's head office is located at: No. 1, Futai Road, Taixing Economic Development Zone, Jiangsu province, the People's Republic of China.

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 Ouannunkun 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, Bubhagit Building 20 North Sathorn Road Bangkok 10500 Tel. 0-2266-6485 Fax 0-2266-6483-4

Audit Fee

For fiscal year ended 2012, the Company paid audit fees of Baht 1,170,000 and recorded non-audit fees for tax services of Baht 1,535,680 for Ernst & Young Office Limited.

Shareholder

(a) Major Shareholders:

No.	Names of Shareholders	14 March 2012 (latest closing date of Vinythai's share register)**	
		Number of shares (shares)	%
1.	Solvay Vinyls Holding AG	696,511,059	58.77
2.	PTT Global Chemical Public Company Limited	296,038,689	24.98
3.	Charoen Pokphand Holding Co., Ltd.	26,100,000	2.20
4.	Thai NVDR Company Limited	22,614,538	1.91
5.	Mr. Chaveng Apata	12,800,000	1.08
6.	Mr. Anucha Kitthanamongkonchai	10,435,002	0.88

Remarks : The latest closing date for right to receive dividend in May 2012. 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 holds a total of 696,511,059 shares, or 58.77%, in the Company:
 - 1. Solvay Vinyls Holding AG 58.77%
- PTT Global Chemical Public Company Limited holds a total of 296,038,689 shares, or 24.98%, in the Company.
 - 1. PTT Global Chemical Public Company Limited 24.98%

Investor Relations: Please visit Vinythai's website at 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.

2012 Significant Related Transactions

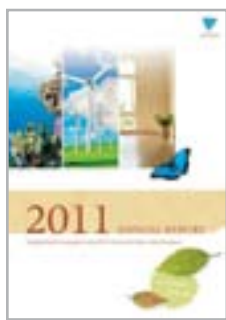
The Company had significant business transactions with subsidiary, associated and related parties as following:

	Product or nature of business	Nature of relationship and connected transactions	Transaction between companies	2012 (Thousand Baht)
Transactions with subsidiaries				
1. Advanced Biochemical (Thailand) Co., Ltd.	Production of Epichlorohydrin (ECH)	Vinythai holds 100 percent of its shares.	Service income Interest income Sales of caustic soda Purchase of raw materials Rental Equipment Purchase Equipment	163,095 161,571 330,296 54,501 7,308 75,797
2. Solvay Biochemicals (Taixing) Ltd.	Production of Epichlorohydrin (ECH)		Reimbursement expense	7,509
Transaction with associated company				
1. Pimai Salt Co., Ltd.	Manufactured and trading of industrial salt	Vinythai holds 28.49 percent.	Purchase of raw materials	425,210
Transactions with related Companies				
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 Interest income Commission income Purchase of raw materials Purchase of spare parts, services expenses and others SIS service charge License expenses and technical assistance services Commission expenses Insurance premium and management commission expenses Insurance premium and management commission expenses	- 170 2,863 1,055 18,317 17,266 32,546 4,258 9,291 1,809
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	115,225 426 2,506 -
4. PTT Global 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	27,048 6,490,656 3,151
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	48,439
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 Expense	12,516
7. MTP HP JV (Thailand) Co., Ltd.	Production and distribution of Hydrogen peroxide	Company owned by Solvay's subsidiaries	Sales of caustic soda	10,901

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. 8 to the 2012 financial statements as examined and reported by the auditor under his audit report dated 21 February 2013.



Annual Report 2012



Annual Report 2011



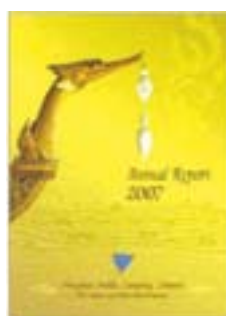
Annual Report 2010



Annual Report 2009



Annual Report 2008



Annual Report 2007



Annual Report 2006



Annual Report 2005



Annual Report 2004



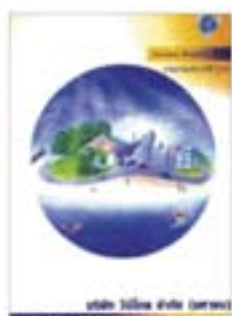
Annual Report 2003



Annual Report 2002



Annual Report 2001



Annual Report 2000



Annual Report 1999



Annual Report 1998



Annual Report 1997

Vinythai Public Company Limited

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Vinythai Public Company Limited's major shareholders: Solvay S.A. Belgium, PTT Global Chemical Public Company Limited