



VINYTHAI

Think
Sustainability

ANNUAL
REPORT 2013






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Financial Highlights

Unit: Million Baht	2011 [#]	2012 [#] (Restated)	2013 [#]
Sales Revenues	14,100	16,933	17,332
Total Revenues	14,191	17,090	17,513
Gross Profit	2,896	2,878	1,393
Income before Financial Cost	2,002	1,813	297
Net Profit	1,989	1,562	198
Depreciation	898	1,257	1,398
Cash Flow from Operating Activities	3,138	2,975	1,336
Capital Expenditures	3,272	2,538	993
Total Assets	19,624	21,533	21,783
Total Liabilities	3,339	4,687	5,638
Total Loan	1,400	3,000	3,428
Shareholders' Equity	16,285	16,846	16,145
Persons Employed as of Year End	464	466	468

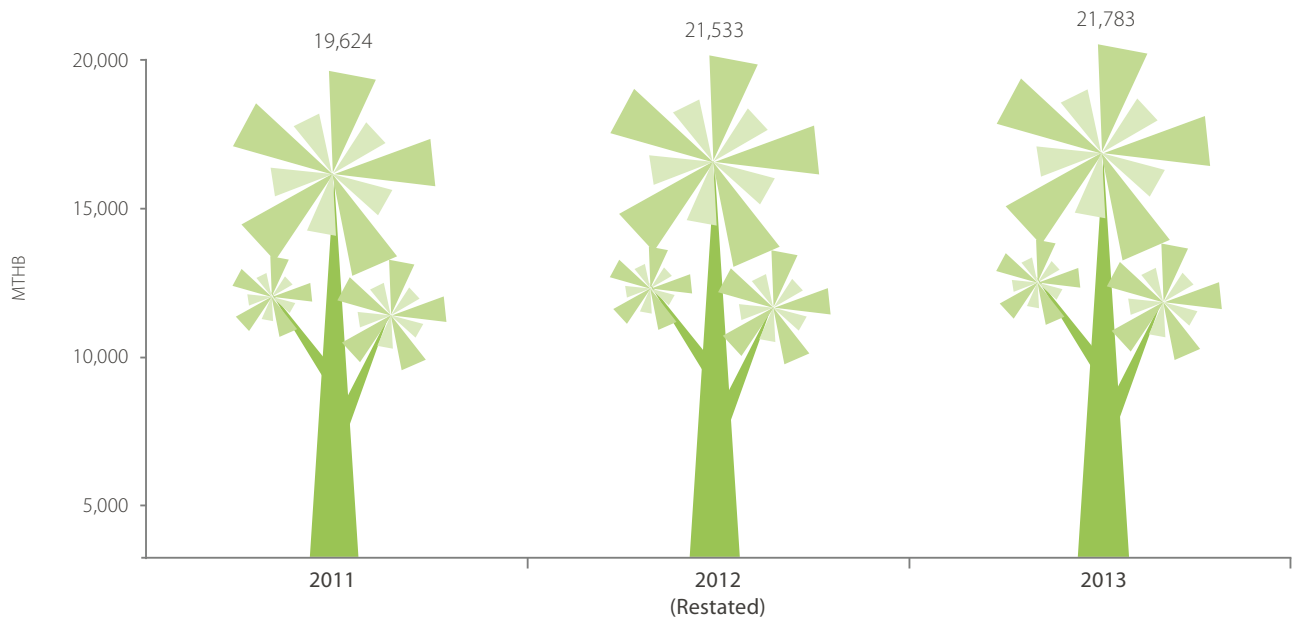
Information per Share & Financial Ratio

Unit: Baht	2011 [#]	2012 [#] (Restated)	2013 [#]
Earning per Share	1.68	1.31	0.17
Book Value per Share	13.74	14.21	13.62
Dividend per Share (Baht/Share)	1.000	0.856	0.064
Net Profit Margin	14.0%	9.1%	1.1%
Return on Average Equity (ROE)	12.7%	9.4%	1.2%
Return on Average Assets (ROA)	10.9%	8.8%	1.4%

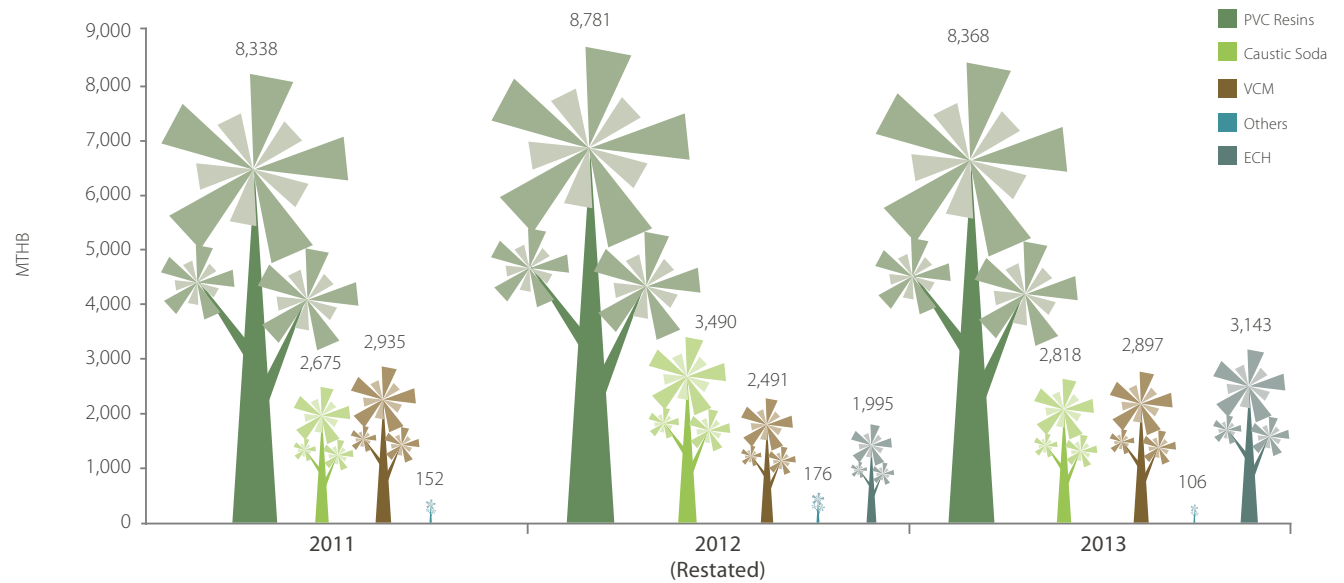
[#] Information above were extracted from consolidated financial statements.

* The Board of Directors' Meeting resolved to propose the Annual Ordinary General Meeting of Shareholders to consider and approve in April 2014.

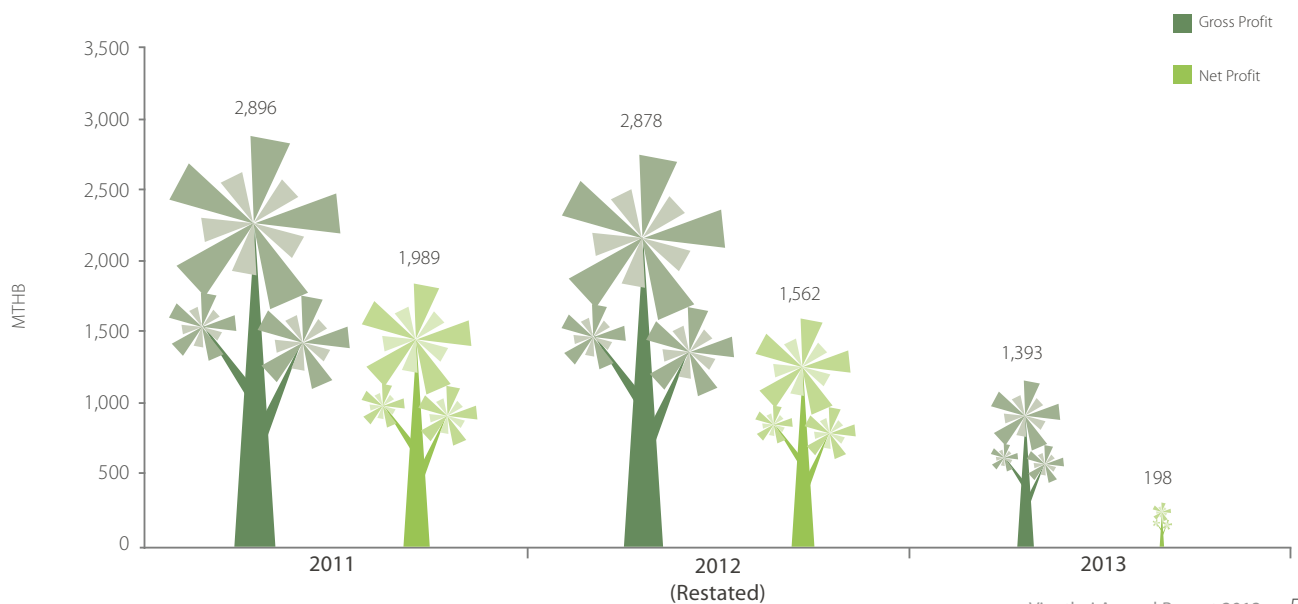
Total Assets



Sales by Products



Gross Profit and Net Profit





Sustainably sailing through headwinds

Ladies and gentlemen, dear friends
from outside and inside the Company,
2013 has been a very contrasted year.

Safety is for us of paramount importance and I'm glad to report that the Company keeps performing very well. This performance results from the tremendous attention that each member of the Company is paying to the day-to-day safety of all people involved, employees and subcontractors. This achievement has been recognized by the Ministry of Labor that granted the Company the "Zero Accident Award – Silver level". Through continuous training, the whole management is consistently maintaining all people's attention which is required to sustain an ever improving result.

On the sales and manufacturing side, several monthly volume records have been broken through the year. And most of them have been achieved without significant investment. This is the outcome of the continuous improvement search the whole staff and management are providing: "there are always ways to do more and better with less". To maintain the momentum, the Company embarked into excellence programs like the Lean Six Sigma approach that is unveiling additional improvement ways, which will surely pay in the years to come.

The whole management is also fully dedicated to further enhance the Company's performance and image in its local environment

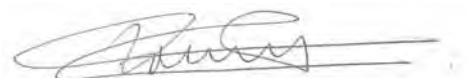
and its markets. This undertaking led to prestigious awards, particularly the 2013 Recognition Award, from the Corporate Social Responsibility Institute of the Stock Exchange of Thailand, and the Thailand's Corporate Brand Rising Star 2013 from the Chulalongkorn University.

However, those efforts didn't materialize in the same strong financial performances as in the two previous years. On both Vinyls and Epichlorohydrin Asian market, overcapacities have reined; energy costs have significantly increased; margins have been under severe pressure. Those factors affected significantly the Company's financial performances.

But overall the Company resisted to these headwinds. Significant efficiency improvement and cost reduction programs have been launched on all fronts. Very prudent cash management was introduced in the frame of the Chinese project. All those actions enabled the Management to maintain the Company's solid financial foundations, in preparation of expected market rebounds in 2014.

The Board of Directors and the Management of the Company would like to take this opportunity to thank all shareholders for their continuous support in 2013, and for the years to come.

With warmest regards,



(Mr. Jacques van Rijckevorsel)
Chairman of the Board of Directors



Policy and Business Overview

Vision, Mission and Values

Our Vision

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

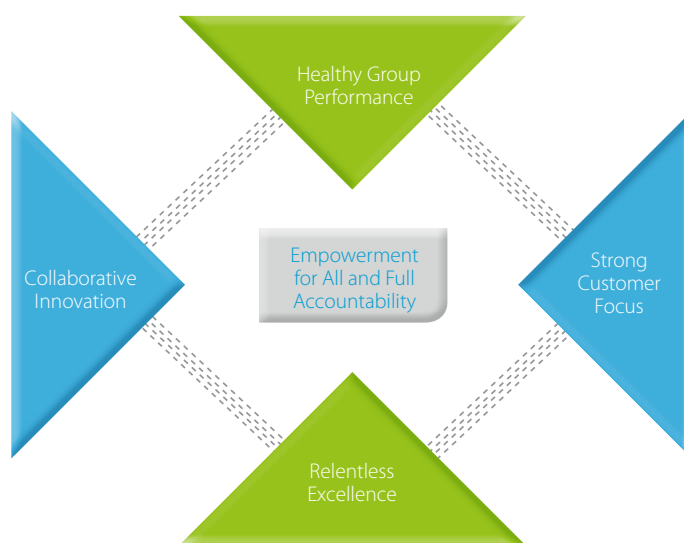
- Vinythai sees its customers as partners, supplying them with quality products at competitive prices, so as to support each customer's growth and development.
- Vinythai provides its personnel with opportunities to develop their skills and realize their potential.
- Vinythai gives due consideration 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

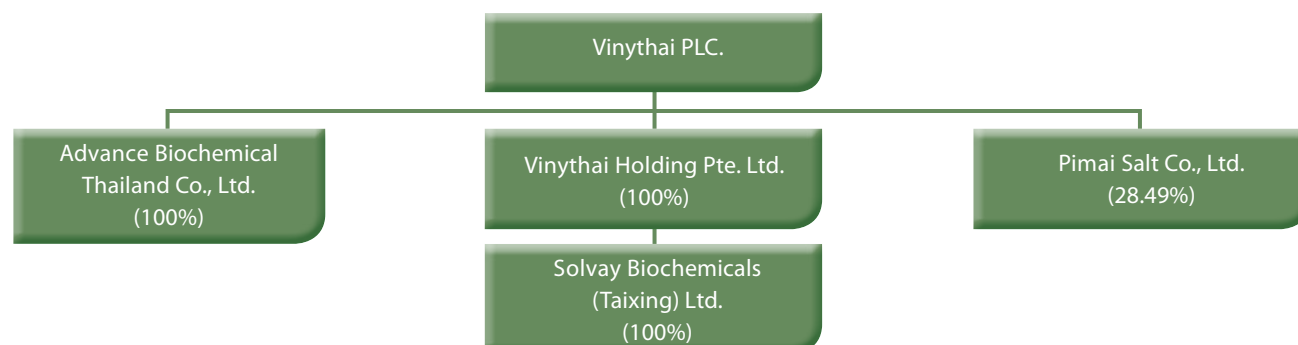
Our Management Model



Our People Model



Shareholding Structure



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 287 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.

Relation between the company and its major shareholders

Vinythai’s major shareholders are Solvay Vinyls Holding AG holding 58.77% of shares and PTT Global Chemical Public Company Limited (PTTGC) holding 24.98% of shares (information as of 10 May 2013). Vinythai Public Company Limited is a manufacturer and distributor of Polyvinyl Chloride (PVC) and Caustic Soda which are important chemical products. In the production process of PVC, technology and technical assistance is supported by Solvay S.A., an indirect ultimate shareholders of Solvay Vinyls Holding AG, a major shareholder, under the License Agreements and the Technical Assistance and Support Agreement. Main raw material, Ethylene, is purchased from PTT Global Chemical Public Company Limited (PTTGC), the largest producer of ethylene in Thailand and the company’s second major shareholder. The company entered into a long term purchase agreement in order to secure the supply of such raw material. The said mentioned agreements have been approved by the Board of Directors. The company has also comply with all related rules/regulations for the transactions.



Nature of Business Operations

Nature of Business Operations

Vinythai Public Company Limited was established to carry on the production and distribution of PVC and Caustic Soda. The Company is a producer in the intermediate petrochemical industry and distributes its products to manufacturers who reprocess PVC into finished products in the plastic industry. The Company obtains the major part of its income from the manufacture and distribution of PVC resins under the trademark "SIAMVIC", VCM and from Caustic Soda as a co-product of the production of chlorine.

The Company's production facilities are located at Map Ta Phut in Rayong. They include two PVC plants (emulsion and suspension 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, 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, The Company 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, Hydrochloric Acid 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 the Company's subsidiary and 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.

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.

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 structure of Vinythai and its associated company is as follows:

Sales Revenues	2013		2012		2011	
	MTHB	%	MTHB	%	MTHB	%
Sales in Thailand						
1. PVC Resins	5,184	34.9	5,439	35.6	5,005	35.5
2. Caustic Soda	2,688	18.1	3,575	23.4	2,657	18.8
3. VCM	2,824	19	2,491	16.3	2,852	20.2
4. Others	533	3.6	176	1.2	151	1.1
<i>Total Sales in Thailand</i>	<i>11,229</i>	<i>75.6</i>	<i>11,680</i>	<i>76.5</i>	<i>10,665</i>	<i>75.6</i>
Sales Abroad						
1. PVC Resins	3,184	21.4	3,342	21.9	3,333	23.6
2. Caustic Soda	362	2.4	246	1.6	18	0.1
3. VCM	73	0.5	-	-	84	0.6
<i>Total Sales Abroad</i>	<i>3,619</i>	<i>24.4</i>	<i>3,588</i>	<i>23.5</i>	<i>3,435</i>	<i>24.4</i>
Sales in Thailand and Abroad						
1. PVC Resins	8,368	56.4	8,781	57.5	8,338	59.1
2. Caustic Soda	3,050	20.5	3,821	25	2,675	19
3. VCM	2,897	19.5	2,491	16.3	2,935	20.8
4. Others	533	3.6	176	1.2	151	1.1
<i>Total Sales in Thailand and Abroad</i>	<i>14,848</i>	<i>100</i>	<i>15,269</i>	<i>100</i>	<i>14,100</i>	<i>100</i>

Income Structure of Subsidiary Company

Product / Service	2013		2012		2011	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
Advance Biochemical (Thailand) Co., Ltd.						
Produce & Supply Epichlorohydrin	3,143	97.2	1,995	97.4		
Others	90	2.8	54	2.6		
% Shareholding by Vinythai		100		100		100

Income Structure of Associated Company

Product / Service	2013		2012		2011	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
Pimai Salt Co., Ltd.						
Produce & Supply Pure Refined Salt	1,548		1,439		1,479	
% Shareholding by Vinythai		28.49		28.49		28.49

Production Structure

Vinythai is fully Integrated Production Process







Production and Process Development: A Year Full of Records, a Year Full of Awards, a Year Full of Talents

In a very tough Asian competitive environment, the plant continues to be focalized on three improvement's axis: reactivity, reliability, competitiveness. With the first program "First Priorities for the Plant", implemented since 2009, we implemented in 2012 a second one to orient all actions to support the improvement's axis. The first program was mainly oriented on the axis "From Reliability to Productivity and Energy focus", the second program is mainly oriented on the axis "From Productivity and Energy focus to Manufacturing Excellence and Energy Excellence". The second program is supported by the "Lean Six Sigma" and "Solwatt*" approach. The trainings implemented in 2012 and 2013 for our Team, concerning those methods were fruitful to improve our performances.

In these programs, the “Manufacturing Excellence” is the main project, focused on 4 pillars.

- Reduce the “Energy Consumption” by deploying energy saving methodology;
- Reduce the raw material and utilities consumption by deploying a common methodology approach for problem solving;
- Deploy the “Lean Maintenance”;
- And boost the “Overall Equipment Effectiveness” by deploying team and individual improvement methodology.

The programs are developed for 8 years, since 2009 until 2016 with a recurrent yearly saving contribution at the end of more than 1.6 GTHB/y. Thanks to the good cooperation of all Vinythai personnel, the results were at the end of this year at the level of 1 GTHB/y, superior to the targets. And at the same time, the plant reached a wonderful level of reliability and performance. The productions of Caustic Soda, Vinyl Chloride, Epichlorohydrin broke again in 2013 their annual production record while the production of PVC reached the same level as the 2012 annual record.

The program of Saving Energy and CO₂ reduction is now part of the Company’s culture and innovation program .

This enthusiasm and innovation skill shown by our personal permit us to start in 2013 improvement programs also in non-manufacturing – for instance, the program in supply chain excellence already generated in 2013 an improvement in procurement and logistic of 120 MTHB.

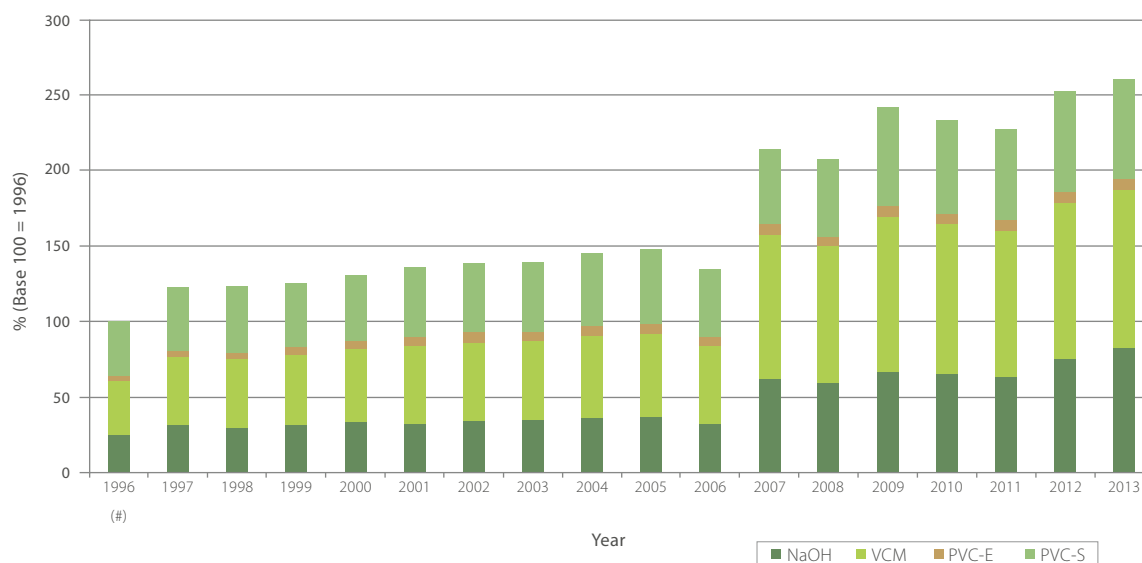
All these improvements are beautiful gifts from our staff to our Company. All these improvements can not continue in the future

without the development of our Team – many programs are implemented internally but will also open the door to some external opportunities. The participation of 6 of us to the commissioning and start-up of a new installation of Solvay in Russia is one of the example. “Growing with You” stays our Company Commitment.

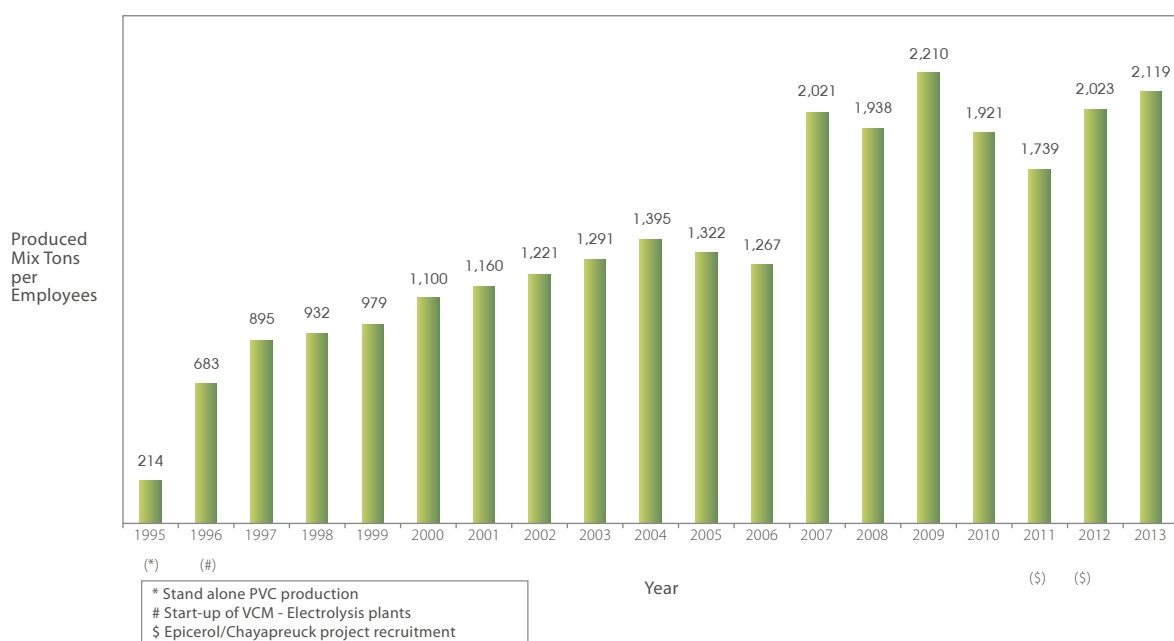
The total production of NaOH, VCM and PVC stayed at very high level with new or equivalent annual production record for all productions.



PRODUCTION PERFORMANCE (Base 100 = 1996)



VINYTHAI PRODUCTIVITY EVOLUTION



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 renewing its certification/surveillance audits for our Quality System (ISO 9001:2008), 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. Today the implementation of new standard is on the way: ISO 26000, ISO 28000

The principle of permanent improvement is firmly implemented in all our processes. It guarantees that all the personnel is ready for the next challenges to meet in 2014.



| Marketing & Sales

Nature of Main Products

PVC Resins

Vinythai produces Polyvinyl Chloride (PVC). PVC is categorized as a hydrocarbon substance made up of vinyl chloride monomer which is processed from the primary raw materials of salt and oil.

With the development of PVC processing technology and with its outstanding properties of high resistance, durability and flexibility, PVC can be used for various purposes. It has extensive applications in various rigid, soft or transparent products as follows:

1. With its flexibility and transparency, PVC is used to produce various kinds of consumer goods, such as, plastic bottle for

drinking fluids and for cooking oil, food wrapping film, packaging, office stationery, etc.

2. With its qualification of weather-resistance, light weight and rust-proof, PVC is outstanding to be used for pipe and fittings, home applications both indoor and outdoor as an alternative to wood, such as, window and door frames, partitions, floor coverings. PVC is also high-voltage resistant and non-flammable, and is therefore also ideal for use in such electrical applications as cable insulators, conduits for electrical wire, etc.

3. PVC is used to produce various kinds of things in human's daily life such as leatherwear, clothing, shoes, gloves, etc.



4. With its light weight, transparent, high chemical tolerance, liquid and gas-proof which meet the very strict standard of medical sector, PVC is used to produce medical gloves, amniotic fluid suction tubes, medicine packaging, etc.

5. PVC is developed to use in the automobile industry, such as, brake wires, protectors, console board, etc. With its qualifications, PVC is involved in the development of our standard of living in the new technologies era, such as, plastic credit card, etc.

Therefore, PVC products are well established and still replacing more and more traditional materials.

PVC resins can be divided into 2 categories as follows:

PVC Suspension

When PVC suspension is processed, it is strong, durable and has a long life. PVC suspension is used primarily in manufacturing products.

Pipe manufacturers account for the largest individual market for PVC suspension. Approximately 58% of PVC suspension produced by Vinythai is used in the construction industry.

In Thailand, PVC suspension breakdown by end-users in 2013 were as follows:

Pipes and Fittings	35.5%
Films & Sheets	33.0%
Compound	21.5%
Profiles	9.9%
Others	0.1%

PVC Emulsion

When it is processed, PVC emulsion is sturdy and elastic. In Asia, the largest application for PVC emulsion is artificial leather.

In Thailand, PVC emulsion breakdown by end-users in 2013 were as follows:

Canvas	48.8%
Artificial Leathers	22.9%
Floor Covering	13.0%
Car Sealant	9.8%
Others	5.5%

Food	2.6%
Petroleum	2.2%
Cleaning in Process	1.2%
PCB	0.8%

Caustic Soda

Caustic Soda is a co-product of chlorine which is one of the raw materials to produce VCM. Such product is in the form of solution which is a strong base, soluble in water. It is available on a wide industrial scale and used in the manufacturing of products which form part of our daily lives such as in the manufacturing and whitening of paper pulp, the treatment of metallurgy, packaging, agriculture, vegetable oil, chemical solution, textile, mono-sodium glutamate, soap, detergent, paper, etc. In addition, it is also used in environmental protection; water treatment, cleaning of combustion or incineration flue gases. Our Caustic Soda is available in liquid form.

In Thailand, Caustic Soda breakdown by end-users in 2013 were as follows:

Chemicals	34.3%
Polycarbonate	23.1%
Textiles	15.4%
Monosodium Glutamate	6.7%
Paper	6.7%
Detergents	3.9%
Metal	3.1%

VCM

As our existing VCM capacity, the balance of the current excess the PVC capacity, VCM capacity has been sold to other domestic PVC manufacturers, for around 30% of our availability.

Beyond the above 4 products, the Company also has other by-products which are also marketable: Hydrogen. Hydrogen (H₂) is supplied to the neighbor industrial plants i.e. hydrogen peroxide producer, hydrogen gas purifiers, etc.

EPICEROL® Bio-Based Epichlorohydrin (ECH)

Advanced Biochemical (Thailand) Company Limited or ABT is producing EPICEROL® bio-based ECH since February 2012. After the start-up period of the plant in 2012, ABT has reached 2013 around 70% of its 100,000 tons per year capacity.

ABT is now well recognized as reliable and competitive major supplier in the Asian market and will continue to develop strong partnership with its customers in order to increase ECH sales by capturing market growth and offering bio-based ECH under its brand name EPICEROL®.



Marketing and Competition

PVC Resins, VCM and Caustic Soda



Policy and Marketing

Vinythai is Thailand's second largest manufacturer of PVC resins. Right after starting the operation, it has been highly successful in term of gaining significant market share. An important element of such success results from the following policy and strategies:

Competition Strategy

1. Quality of Products

The Company's policy is to produce PVC that meets the international standard. To test the quality of its products, The Company has established a working unit and built a product testing laboratory which is operated under the supervision of experts.

The Total Quality Department has been established to enhance the efficiency of the quality management from production process to product delivery, in addition to providing recommendations to help boosting the business activities. The Company greatly succeeded in upgrading its Quality Management System (ISO 9001:2000) to ISO 9001:2008. The Company also extended scope of the ISO certification by including the design and development of Polyvinyl Chloride and manufacturing and supply of Hydrogen.

In addition, the Company received the Certificate of Laboratory Accreditation (ISO/IEC 17025:2005) from Thai Industrial Standards Institute for PVC resins testing of Viscosity Index and Residual Vinyl Chloride Monomer content. The testing ensures that customers will receive products which are in line with their requirements and harmless for health. The Company has successfully improved to new system of Laboratory Accreditation (ISO/IEC 17025:2005) in 2006.

The Company received the Halal Certificate from the Central Islamic Committee of Thailand for its Caustic Soda 32% and 50%. This certification ensures that the Company's products are produced





in conformity with the Islamic rules.

In 2004, the Company received the certification of Caustic Soda 32% and 50% from Food and Drug Administration of Thailand (FDA). This certification ensures that its Caustic Soda is in line with the requirements defined by Thailand's FDA. Vinythai is the first company receiving this certification in Thailand. The Company also received standard mark on both of them, quality level 1, issued by the Thai Industrial Standards Institute.

In the past, the Company has totally consumed all VCM product produced in PVC production line as raw material; however starting from 2007 the Company has been able to commercialize this product according to plant capacity expansion. Quality of the product is closely monitored and controlled by the Quality Control and Customer Development Department.

The Company sells its products based on the quality agreement or contract settled with each customer.

2. Diversity of Products and Services

Apart from Pipes and Fittings which are the main group of customer using PVC resin, the

Company has formulated a diversification policy that focuses on the expansion and penetration into other applications, such as rigid profiles, film and sheet and artificial leather. The Company consequently aims at developing its PVC resin as well as new grades in each application in order to satisfy the market needs. In line with such policy, presently Vinythai has been successfully developing and marketing five grades of PVC suspension and five grades of PVC Emulsion. With the Company's diversity of products, Vinythai believes that its products can serve thoroughly the target markets.

3. Customer Technical Services

Vinythai organized Customer Technical Services Department to provide technical advice to customers in relation to the different applications of PVC. Vinythai's engineers visit customers' plants to assist in developing new production techniques and in optimizing their production cost. Vinythai believes that the technical services support to customers will provide added value and will help to establish good relationships with customers in the long run.

4. Pricing Policy

PVC and VCM selling price is directly influenced by the international price. Therefore, export price is quoted at the international price while domestic price is quoted on the PVC and VCM import price.

Type of Customers

Vinythai's customers can be classified into 2 types:

1. Local Buyers
2. Foreign Buyer

During 2013, no single customer accounted more than 20% of the total sales.

Target Customer

• PVC Resins Customers

Of the many applications for PVC resins,

those in the Pipe and Fittings represented the most significant volume. However, Vinythai plans to penetrate into other applications as details described in the topic Diversity of Products and Services.

• Caustic Soda Customers

Caustic Soda produced by Vinythai is used in the manufacturing of chemicals or products which form part of our daily life such as detergents, soaps, textile and monosodium glutamate, etc.

Distribution and Distribution Channels

Normally, Vinythai emphasized in supplying PVC to domestic buyers. In 2013, the PVC domestic buyers accounted for 63% of the total PVC sales and 94% of total Caustic Soda sales.



For the domestic market, which is the main market, Vinythai adopts a direct sale method partly in order to better follow and satisfy the requirements of customers. Vinythai considers that it can respond to the production problems of its customers faster than distribution of its products through distributors. This enables Vinythai to establish plans for assisting customers and for the development of its products to meet requirements of the customers.

For the foreign market, Vinythai mainly supplies its products through the agents worldwide. The export markets for PVC are Southeast Asia, Australia, New Zealand, Indian Subcontinent and China.

Vinythai believes that the Total Quality Management System and Innovation, the direct delivery of goods to customers and its customer technical services, enhance the customers' confidence in the products and services, including its availability.

Marketing Situation in 2013

PVC Resin

In 2013, global GDP growth rate was estimated at 2.4%. The world economy gradually indicated signs of recovery in the second half of the year, especially in the U.S., Europe and Japan but China's growth is decelerating at the level of 7.5%. So, the GDP growth in Asia Pacific, excluding Japan, was a bit slow at 5.8% affecting 5.1% less sales compared to 2012.

The domestic GDP growth was at 3.0% resulting in a local PVC demand estimated at 500 kt per annum.

In 2013, there was increasing import of PVC resin at about 75 kt.

In 2013, despite 1.4% higher average price compared to 2012, the Company's sales of S-PVC

was recorded at 7,295 MTHB, a decrease by 2.3% which was due to 4% less volume as there was more competition from NEA producers.

E-PVC sales revenue was 1,072 MTHB, 18.2% lower than in 2012 by 10 % less volume and 8.7% lower average selling price compared to 2012. The price has been continuously declining during 2013 due to heavy competition and surplus supply from increased capacity especially in China and Malaysia.

For PVC resin, the percentages of domestic and export sales revenue were 63% and 37% 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 co-operation to provide facts and information to the related industries and authorities as well as consumers.

In 2014, the global GDP growth is projected at 2.5%. With existing surplus capacity and global limited demand growth, PVC price will remain under competitive pressure throughout the year.

However, the signal of economic recovery in USA and Europe and more or less stabilized Chinese economy should a bit enhance the PVC demand.

VCM

Sales of available VCM in 2013 earned 2,898 MTHB in revenue which was 16.3% higher than in 2012 reflecting 2% higher average selling price and 14% more volume.

Caustic Soda

Generally in 2013, there is still surplus capacity of Caustic Soda in Asia especially in China. Despite the increasing energy costs, the average regional price was reduced to average

372 US\$/DMT CFR due to the additional capacity that came on stream during the period.

Revenues from Caustic Soda in 2013 was 3,050 MTHB, 20.2% less than in 2012 which was mainly due to 26.5% lower average selling price despite 9% more volume.

In 2014, huge surplus capacity in addition to increasing energy costs and declining chlorine value will probably induce high pressure onto the Caustic Soda producers.

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.

ECH Market Competition

ECH structural overcapacity persists in Asia and weights on the price level. In China, ECH production operating rates remains low. Despite important overcapacity, China was still a net importer of ECH and epoxy resins in 2013.

In South Korea, major player started 60,000 tons per year ECH extension capacity in September 2013.

Current ECH prices in Asia barely cover the production cash costs of the majority of players. In this highly competitive environment, ABT has been able to develop sales and positions on the market on a sustainable basis.





PVC & ECH Industry Outlook

PVC Industry Outlook

PVC consumption in Asia continued to grow, though at a slower rate than in 2012, particularly in China. The Chinese's rebalancing policies are expected to keep growth lower than previous years while moving towards an economy that is driven more by domestic consumption.

In 2013, the average ethylene price is 1,352 USD/ton, 9.8% higher than 2012, due to supply constraint in the region, despite the slightly lower crude oil and naphtha prices.

The PVC price rose by 4.5% to 1,006 USD/ton in average, driven by rising ethylene prices, despite the sluggish demand in the region resulting from economic environment.

Average VCM price rose by 3.5% in 2013 to 872 USD/ton, on the back of high cost and tight supply condition due to plant closure of major regional player.

On Caustic Soda, the price was slightly increased from the beginning of the year. However, the average price declined by 23% to 372 USD/ton, amidst ample supply from new capacity and low demand.

In addition to the high EDC production costs which limited the producers to reduce the output and rely more on buying EDC, the low demand of Caustic Soda also led to reduced chlor-alkali plant's operating rate, resulting in limited EDC supply. Those market conditions supported the EDC price to increase by 37% to 362 USD/ton in average.

Looking ahead, ethylene, a major raw material of fully-integrated PVC production, will remain in tight situation until the recovery of some local players, resulting in price pressure. Regional PVC and Caustic Soda market should be improved in line with global economic recovery, while tough competition will still prevail in the region especially from the Northeast Asia's players.

Regional VCM supply will still be in tight situation, a fully integrated production structure like Vinythai should benefit from this tight condition.

ECH Industry Outlook

More than 90% of ECH ends in the epoxy resins market mainly driven by coatings, electronics and composites industries. ECH market is expected to grow by 6% in China and 3% in the rest of Asian market until 2017.

In 2013, structural overcapacities and the slowing down of the demand of epoxy resins especially in the Chinese domestic market have squeezed margins in both ECH and epoxy resins industries.

However, through the year, ECH prices have increased stepwise to 1,550 USD/ton CFR on the back of firmer feedstock prices and slight recovery of ECH market demand.

Lack of visibility prevails both in ECH and epoxy resins markets. But we are confident that intensive industry restructuring might occur in 2014 in all regions due to current poor margins or even heavy losses of major players since mid of 2012.

For its second year of production, the Company reached a sales volume of 70,862 tons. ECH sales revenue was 3,143 MTHB, 859 MTHB domestic and 2,284 MTHB at the export.

In 2014, we will continue our efforts on EPICEROL® branding to further develop our sales and increase our position as bio-based ECH producer.



Total Quality Management and Innovation

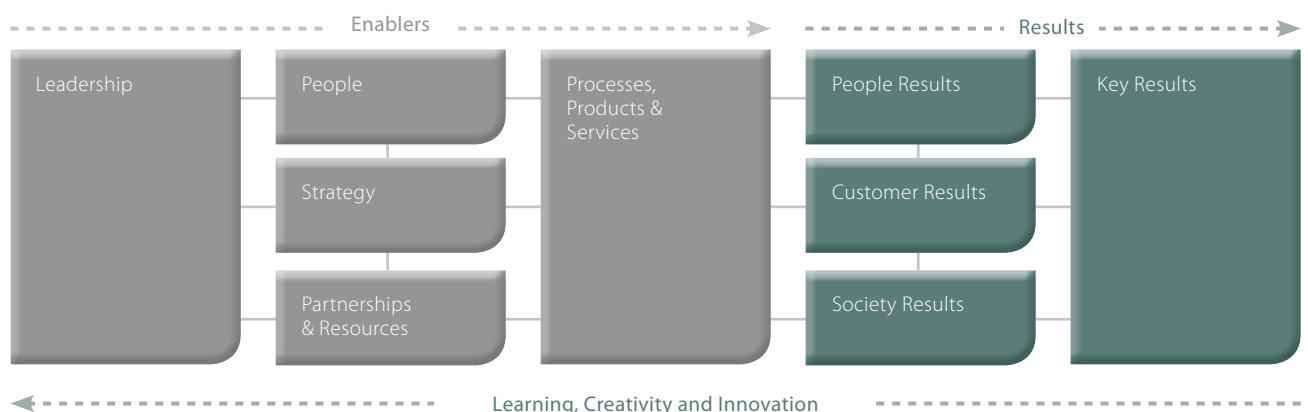
Total Quality Management

Company Action Plan and Self-Assessment

In 2013, the Company as usual conducted an annual review of its strategic plan. This exercise included reviewing all the risks that may arise from operations under the plan and general business and economic conditions and ensuring consistency and compliance with the Company's vision and mission.

Taking the Excellence Model of EFQM (European Foundation for Quality Management) as its framework, the Company additionally conducted a self-assessment of its performance in each area of operations (Leadership, Strategy, People, Partnerships & Resources, Processes, and Products & Services) and evaluated their potential impact on its key indicators and results. The findings and potential corrective actions were duly used to revise and update the Company's 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 independent surveys of both its domestic and export customers. The findings from the surveys are used to design marketing plans closely tailored to individual customers and market trends, implementation of which further strengthens the Company's position going forward.

The 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 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 quickly resolve any issues or problems. These internal measures are used by the Company to monitor, understand, predict and improve its overall performance.

Several visits were undertaken during the past year to both Thai and foreign customers of the Company's PVC, Caustic Soda and Epichlorohydrin production. 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 together, 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 who, in turn, convey them to all staff.

Throughout 2013, the Company continued its participation in the Department of Primary Industries and Mines, Ministry of Industry's project to implement the Security Management System for Supply Chain Management International Standard (ISO 28000). In implementing measures to ensure the continuity of its business activities,

the Company has extended its security and risk management scheme to cover the supply chain of its subsidiary, Advanced Biochemical (Thailand) Company Limited. The Company also encourages its sub-contractor to participate in the program.

ISO 28000 enhances the Company's supply chain security management, including procurement of raw materials, equipment, machinery, utilities and product delivery and increases its resilience by cushioning impacts. Adopting ISO 28000 standards for each process in the supply chain also tends to enhance the Company's image, expand marketing channels and increase customer confidence in its supply chain management. In case of an unexpected event, the Company is thus able to continue operating and servicing its customers without interruption.

The Company has also continued to develop its energy conservation and environmental promotion campaigns. This, in addition to its strong commitment to corporate social responsibility consistent with the ISO 26000 international standard, has resulted in the Company in the past year receiving the following certifications:

- Renewable Energy Use certification organized by the Thailand Business Council for Sustainable Development (TBCSD) and Thailand Environment Institute Foundation (TEI).
- Energy Conservation Leadership certification organized by the Department of Alternative Energy Development, TBCSD, TEIF, and the Industrial Estate Authority of Thailand.

These 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/IEC17025: 2005 laboratory accreditation, accredited by the Thai Industrial Standards Institute (TISI).
- Certified compliance with the Standard for Corporate Social Responsibility (CSR-DIW) B.E. 2552 of the Department of Industrial Works, Ministry of Industry.

The Company has also been applied for upgrading its compliance with ISO 26000:2009 Guidance on Social Responsibility guidelines.

- Carbon Footprint Label issued by the Thailand Greenhouse Gas Management Organization (TGO) for carbon dioxide emission reduction during the production of PVC Suspension, PVC Emulsion, Sodium Hydroxide,



and intermediate products, namely, Vinyl Chloride Monomer and Ethylene Dichloride.

- Carbon Reduction Label for Laboratory Buildings from Thailand Environment Institute (TEI) testifying that the Company has reduced carbon dioxide emissions from its laboratory by in excess of 10% overall since 2002.
- Green Industry Certificate Level 3 and Level 4 issued by the Ministry of Industry.
- Security Management System for Supply Chain Management (ISO 28000) certification by the Department of Primary Industries and Mines, Ministry of Industry, in 2012 and 2013.

Innovation Excellence for Sustainable Business Development

For years, Vinythai has been strongly committed to innovation development with a particular focus on occupational health, safety and environment that relate to its operations. On the environmental side, the Company has continuously formulated environmental improvement and protection principles including waste reduction and elimination of air, water and land pollutants. The Company also supports the

effective use of natural and energy resources by implementing various programs, i.e. “Lean Six Sigma”, a diagnosis program for energy saving solutions called “Solwatt”, and Sustainable Development project.

Lean Six Sigma helps streamline processes, eliminate wastes and institutionalize systematic problem-solving process, starting from problem identification and prioritization, data collection and analysis, and statistically based problem solving. Almost 30 staff of Vinythai’s production and management units completed training for Green Belt certification. In 2014, the Company has targeted to have 9 Black Belt employees who will become a major driving force for further enhancement of the Company’s innovation excellence.

In 2013, the Company also introduced “Solwatt”, a diagnosis program for energy saving solutions. With the joint efforts and brainstorming of engineering managers, engineers and plant operating staff of the Company, energy saving solutions were developed that could save up to 200 million Baht. The implementation with monthly evaluation is expected to be completed by 2015. By the end of the year, the Company



Innovation Excellence for
Sustainable Business Development

Lean Six Sigma

Solvatt

Sustainable development
based on Solvay way approach

Innovation

successfully reduced the energy consumption worth over 200 million Baht.

The key to sustainable business development is none other than ISO 26000. The Company has been fostering sustainable development based on Solvay approach which provides a secured guideline for efficient sustainable development. Under this approach, the Company has evaluated its own potentials in all stakeholders' aspects including employees, customers, partners, community, investors and environment. In 2013, training was provided to help staff understand the principles of sustainable development based on Solvay approach for achievement of the Company's common goal.

Every year, Vinythai organizes Innovation Day to motivate staff to accomplish innovation. In 2013, there was an average of 3.11 proposals per person and the completed implementation enabled the Company to save approximately 179 million Baht. This result is made possible with the good collaboration of all staff, the team spirit and the management support.

Use of hydrogen gas to replace natural gas in the production system and for distribution is one of the Company's energy saving innovations

that enables it to save over 100 million Baht a year. With such an outstanding result, the Company was granted Alternative Energy Certification from Thailand Environment Institute.

Innovation can be developed through various methods. However, one method of the Company's priority is the sharing of experiences through study tour. In 2013, the Company was invited to join competition among Solvay group and submitted 4 innovation projects. The WRRUS project (War Room Real-time Update Status) which is targeted to maximize annual maintenance efficiency was selected to the competition.



Management Structure

Organization Chart

of Vinythai Public Company Limited



* On 29 August 2013, Business Advisory Committee superseded Executive Committee and responsible for Strategic and Risk Management.

BOARD OF DIRECTORS OF VINYTHAI



Mr. Jacques van Rijckevorsel

Chairman of the Board of Directors, Chairman of Nomination & Remuneration Committee and authorized to sign to bind the Company

**appointed as Chairman of the Board of Directors and Chairman of Nomination & Remuneration Committee, with effect on 2 May 2013*

Education

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

Main experience

- Chairman of the Board of Directors and Chairman of Nomination & Remuneration Committee*, Vinythai Public Company Limited
- Director, Vinythai Public Company Limited
- Director, Solvay Indupa S.A.I.C.
- Member of Solvay Executive Committee, Solvay S.A., Belgium
- Member of the Board, RusVinyl LLC
- Chairman of the Board, Aufsichtsrat of SolVin Europe GmbH
- Member of the Board, Solvay America, Inc.



Mr. Roger Lester Kearns

Chairman of the Board of Directors, Chairman of Nomination & Remuneration Committee and Member of Executive Committee, and authorized to sign to bind the Company

**resigned from the positions in Vinythai on 2 May 2013*

Education

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

Main experience

- Chairman of the Board of Directors and Chairman of Nomination & Remuneration Committee, 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 Biochemical (Taixing) Co., Ltd. – China



Mr. Bowon Vongsinudom

Director, Vice Chairman of the Board of Directors, Member of Nomination & Remuneration Committee and authorized to sign to bind the Company

** appointed as Vice Chairman of the Board of Directors and Member of Nomination & Remuneration Committee on 3 October 2013*

Education

- Master of Business Administration (Management), Sasin Graduate Institute of Business Administration, Thailand
- Master of Engineering in Chemical Engineering, Chulalongkorn University, Thailand
- Bachelor of Engineering (Chemical Engineering), Chulalongkorn University, Thailand

Seminar on Director Roles and Responsibilities

- The Joint State - Private Sector Course, National Defense College, (Class of 17th), Thailand
- Certificate of Director Accreditation Program (DAP) 76/2008, Thai Institute of Directors Association (IOD)

Main experience

- Vice Chairman, Vinythai Public Company Limited
- President & CEO, PTT Global Chemical PLC.
- Senior Executive Vice President, Downstream Petroleum Business Group, PTT Public Company Limited
- Director / Risk Management Committee / President & CEO and Secretary to the Board of Directors, PTT Aromatics and Refining Public Company Limited
- Senior Executive Vice President - Operations and Acting and Vice President - Supply Planning & Business Development, PTT Aromatics and Refining Public Company Limited



Mr. Anon Sirisaengtaksin

Director, Vice Chairman of the Board of Directors, Member of Nomination & Remuneration Committee and authorized to sign to bind the Company

** resigned from his directorship on 30 September 2013*

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 Director Accreditation Program (DAP), 52/2006, Thai Institute of Directors Association (IOD)
- Certificate in Director Certification Program (DCP), 73/2006, Thai Institute of Directors Association (IOD)

Main experience

- Vice Chairman, Vinythai Public Company Limited
- President and 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



Mr. Bruno van der Wielen

Director, Managing Director and Member of Business Advisory Committee* and authorized to sign to bind the Company

**on 29 August 2013, Business Advisory Committee superseded Executive Committee*

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 Director Certification Program (DCP) 145/2011, Thai Institute of Directors Association (IOD)

Main experience

- Director, Managing Director and Member of Business Advisory Committee*, Vinythai Public Company Limited
- Chairman, Advanced Biochemical (Thailand) Co., Ltd.
- Director, Vinythai Holding Pte. Ltd.
- Chairman, Solvay Biochemicals (Taixing) Co., Ltd.
- Director, Pimai Salt Company Limited
- Director, Thai Refined Salt Company Limited



Mrs. Puntip Oungpasuk

Director and Chairperson of the Business Advisory 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 Advanced Management Program (AMP), Harvard Business School, USA
- Certificate of the Completion Director 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

- | | |
|--|---|
| <ul style="list-style-type: none"> • Director and Chairperson of the Business Advisory Committee *, Vinythai Public Company Limited • Director, Vinythai Holding Pte. Ltd. • Executive Vice President, Corporate Strategy, PTT Global Chemical Public Co., Ltd. • Acting Head of Science & Innovation, PTT Global Chemical Public Co., Ltd. • Chairperson of PTT Group Technology Committee, PTT Public Company Limited • Director, VENCOREX Holding • Director, PTTGC International (Netherlands) B.V. • Director, Bio Creation Co., Ltd. | <ul style="list-style-type: none"> • Director, PTT Chemical International Private Limited • Director, PTT Chemical International (Asia Pacific ROH) Limited • Director, Emery Oleochemicals (M) Sdn Bhd • Director, PTT Phenol Co., Ltd. • Director, TOC Glycol Co., Ltd. • Director, Myriant Corporation • Executive Vice President, Corporate Strategy & Business Development, PTT Chemical Public Company Limited • Senior Vice President, Chief Corporate Finance & Strategy, Thai Olefins Public Company Limited |
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Mr. Pote Videtyontrakich

Independent Director and Audit Committee

Education

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

Seminar on Director Roles and Responsibilities

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

Main experience

- Independent Director and Audit Committee, Vinythai Public Company Limited
- Director, LASTA Multi Media Joint Stock Company, Vietnam
- Managing Director, Private Equity (Thailand) Company Limited



Mr. Pipop Pruecksamars

Independent Director, Chairman of Audit Committee and Chairman of Ad-Hoc 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 Director Certification Program (DCP) Class 124/2009, Thai Institute of Directors Association (IOD)
- Certificate in Role of the Chairman Program (RCP) Class 28/2012, Thai Institute of Directors Association (IOD)

Main experience

- Independent Director, Chairman of Audit Committee and Chairman of Ad-Hoc Committee*, Vinythai Public Company Limited
- Executive Director, Petroleum Institute of Thailand
- 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.



Mr. Vincenzo Morici

Director and Member of Business Advisory Committee and authorized to sign to bind the Company

**appointed as Member of the Business Advisory Committee on 29 August 2013*

Education

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

Main experience

- Director and Member of Business Advisory Committee*, Vinythai Public Company Limited
- Senior Executive Vice President, SDU Vinyls, Solvay S.A.
- Senior Executive Vice President, SBU Specialty Polymers, Solvay S.A.



Dr. Dhanes Charoensupaya

Director, Member of Ad-Hoc Committee 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 Director Certification Program (DCP) Class 97/2007, Thai Institute of Directors Association (IOD)

Main experience

- Director, Vinythai Public Company Limited
- Director, Thai Tank Terminal Co., Ltd.
- Director, PTT Phenol Company Limited
- Director, Myriant Corporation Inc.
- Director, PTT Chemical International Private Limited
- Director, PTT Chemical International (Asia Pacific ROH) Limited
- Chairman, Bio Creation Company Limited
- Executive Vice President Strategic Execution and Excellence, PTT Global Chemical Public Company Limited
- Director, Solvay Biochemicals (Taixing) Co., Ltd.
- 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. 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
- Managing Director, Padaeng Industry Public Company Limited
- Senior Vice President, UM Zinc/Umicore, Belgium



Mrs. Vallapa Assakul

Independent Director

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 Director Certification Program (DCP), 86/2007, Thai Institute of Directors Association (IOD)
- Certificate in Director Accreditation Program (DAP), 37/2005, Thai Institute of Directors Association (IOD)

Main experience

- Independent Director, Vinythai Public Company Limited
- Director, Ocean Property Co., Ltd.
- Director, Siam Estate Co., Ltd.
- Director & Member of Executive Committee, Bangkok Expressway Public Company Limited
- Independent Director, Bangkok Metro Public Company Limited
- Chairman of the Risk Committee, Bangkok Metro Public Company Limited
- Director, Amphan Co., Ltd.
- Director, The Ocean Life Insurance Co., Ltd.
- Chairman of Compensation Committee, The Ocean Life Insurance Co., Ltd.
- Vice Chairman of the Audit Committee, The Ocean Life Insurance Co., Ltd.
- Member of Risk Committee, The Ocean Life Insurance Co., Ltd.



Associate Professor Dr. Danuja Kunpanitchakit

Independent Director and Member of Audit Committee

**appointed as Independent Director on 25 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 (IOD)
- Certificate of Audit Committee Program (IOD) (AACP 44/2013)

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
- Head, Department of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University



Mr. Michel Ybert

Director and authorized to sign to bind the Company

**appointed as Director on 2 May 2013*

Education

- MBA, Hautes Etudes Commerciales (H.E.C), Paris
- Diplome d'etudes Comptables Superieur

Main experience

- Director, Vinythai Public Company Limited
- President, Asia Pacific, Solvay Specialty Chemicals Asia Pacific Pte. Ltd.
- President, Asia Pacific, Rhodia Asia Pacific Pte. Ltd.



Mrs. Quitterie Dupontreue de Pelleport

Director, Member of Ad-Hoc Committee and authorized to sign to bind the Company

**appointed as Director on 2 May 2013*

Education

- Postgraduate Degree in Corporate and Tax Law - University Jean Monnet Paris XI - Magna cum laude
- Master's Degree in Corporate Law - University Jean Monnet Paris XI

Main experience

- Director and Member of Ad-Hoc Committee*, Vinythai Public Company Limited
- Vice-President and General Counsel, Asia Pacific, Solvay S.A.
- Vice-President and General Counsel, Asia Pacific, Rhodia S.A.
- Corporate Counsel, Mergers & Acquisitions, Rhodia S.A.



Mr. Andrew Leonard Cumming

Director and authorized to sign to bind the Company

**resigned from his directorship on 2 May 2013*

Education

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

Seminar on Director Roles and Responsibilities

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



Mr. Gilles Madjarian

Director and authorized to sign to bind the Company

**resigned from his directorship on 3 October 2013*

Education

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

Seminar on Director Roles and Responsibilities

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

Main experience

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



Mr. Dominique Dussard

Director and authorized to sign to bind the Company

**resigned from his directorship on 22 February 2013*

Education

- Master in Laws of Catholic University of Louvain, Belgium

Main experience

- Director, Vinythai Public Company Limited

STEERING COMMITTEE



Mr. Bruno van der Wielen

Director, Managing Director and Member of Business Advisory Committee 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 Member of Business Advisory Committee*, Vinythai Public Company Limited
- Chairman, Advanced Biochemical (Thailand) Co., Ltd.
- Director, Pimai Salt Company Limited
- Director, Thai Refined Salt Company Limited



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
- Director, Solvay Biochemicals (Taixing) Limited, China
- Director, Advanced Biochemical (Thailand) Co., Ltd.
- 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 Leaupathanasuk

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

- Vice President Corporate Affairs and Communications - Company Secretary, Vinythai Public Company Limited
- Director, Advanced Biochemical (Thailand) Co., Ltd.
- Vice Chairman, Marine Science and Conservation Foundation (Vinythai Coral Foundation)
- Assistant Vice President Corporate Affairs and Communication, Vinythai Public Company Limited
- Company Secretary, Advanced Biochemical (Thailand) Co., Ltd.
- Occupational Health and Safety Management Representative, and Safety, Vinythai Public Company Limited
- Environment Department Manager, Vinythai Public Company Limited
- Vice Chairman, Asia Pacific Vinyls Network (APVN)
- Vice Chairman of Plastic Industry Club, The Federal of Thai Industries (FTI)
- Director of Petrochemical Industry Club, The Federal of Thai Industries (FTI)
- Director of Chemical Industry Club, The Federal 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)



Mrs. Jamjuree Sirovetnukul

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 Ltd.
- Director, Advanced Biochemical (Thailand) Co., Ltd.
- Director/Managing Director, Vinythai Holding Pte. Ltd.
- Director, Solvay Biochemicals (Taixing) Co., Ltd.
- Chief Finance Officer/3S Asia Hub Shared Service Head, Solvay Asia Pacific Co., Ltd.
- Chief Finance Officer/Head of Shared Service (Thailand), Solvay (Thailand) 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



Ms. Hellen Pham

Senior Marketing and Business
Development 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



Mr. Suchat Ponglee

Logistics Department Manager



Mr. Kitt Chaloembanphachon

EDP Department Manager

Management Team



Mr. Niran Areechon

Quality, Health, Safety and
Environment Department Manager



Mrs. Sudarut Worasuwat

PVC Sales Department Manager



Mr. Rongrote Deekongsieng

Maintenance and Engineering
Department Manager



Mr. Somchai Jaratpatanawong

Customer Technical Service
Department Manager



Ms. Jirasiree Vorakanjana

Human Resources and
Administration Department Manager



Mr. Komkrit Supagovit

Finance Department Manager



Mr. Wanchai Juntasing

Procurement Department Manager



Mr. Kittipong Jamsak

Accounting Department Manager

Management Structure

The Company's management structure comprises the Board of Directors and three other committees, namely the Business Advisory Committee (the Executive Committee*), the Audit Committee and the Nomination and Remuneration Committee.

Board of Directors Structure

The Board of Directors is in charge of managing and carrying on the business of the Company in accordance with the law, the Company's objectives and Articles of Association, and any resolutions that are made at the shareholders' meeting. The Board of Directors performs their duties in good faith, with due diligence and care, in the optimum interest of the Company. Moreover, the Board of Directors plays a role in endorsing the Company's vision, mission and strategy. The setting of targets, business plans and the corporate budget are also the responsibility of the Board of Directors. Under the Board's direction, the Company has implemented the internal control and internal audit systems, along with effective risk management measures. In addition, the Business Advisory Committee and Audit Committee are assigned to monitor constantly the Company's performance and internal audit operation.

The Board of Directors is accountable for clearly defining and separating the roles and responsibilities of the Board of Directors, the Audit Committee, the Business Advisory Committee, the Nomination and Remuneration Committee and the management.

The Board of Directors supervises and monitors the activities of the Business Advisory Committee to ensure that its performance is in line with the established policy. The Board of Directors shall consider and approve the Company's capital expenditure in accordance with the Business Advisory Committee's review. However, such expenditure cannot be approved without the consent of the shareholders if a conflict of interest is involved. Similarly, the shareholders' consent is required in specific situation itemized under the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

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 knowledge, competent persons with various qualifications, skills, experience



and expertise that can provide optimum benefit to the Company and its shareholders.

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 Business Advisory Committee also holds regular meetings. Board members actively attend the meetings unless detained by other pressing or urgent matters.

* On 29 August 2013, Business Advisory Committee superseded Executive Committee and responsible for Strategic and Risk Management.

The record of Board of Directors meeting and committee meeting attendance for 2013 is as follows:

Meeting attendance / Total No. of meeting

Name	Board of Directors Total 5 times/year	Business Advisory Committee* Total 3 times/year	Audit Committee Total 5 times/year (including the Non-Management meeting)	Nomination & Remuneration Committee Total 4 times/year
1. Mr. Roger Lester Kearns ⁽²⁾	2/2	-	-	2/2
2. Mr. Jacques van Rijckevorsel ^{(1), (3)}	4/5	-	-	2/2
3. Mr. Anon Sirisaengtaksin ⁽⁴⁾	2/2	-	-	3/3
4. Mr. Bruno van der Wielen	5/5	3/3	-	-
5. Mr. Pote Videtyontrakich	3/5	-	5/5	-
6. Mrs. Puntip Oungpasuk	5/5	3/3	-	-
7. Mr. Pipop Pruecksamars	5/5	-	5/5	4/4
8. Dr. Dhanes Charoensupaya	5/5	-	-	-
9. Mr. Vincenzo Morici ⁽¹⁾	3/5	1/2	-	-
10. Mr. Andre R. van der Heyden	4/5	-	-	-
11. Mr. Gilles Madjarian ⁽⁵⁾	4/4	-	-	-
12. Mr. Andrew Leonard Cumming ⁽⁶⁾	2/2	-	-	-
13. Associate Professor Dr.Danuja Kunpanitchakit	4/5	-	5/5	-
14. Mrs. Vallapa Assakul	4/5	0/1 ⁽¹⁰⁾	-	-
15. Mr. Bowon Vongsinudom	2/2	-	-	-
16. Mrs. Quitterie Dupontreue de Pelleport ^{(1), (8)}	2/3	-	-	-
17. Mr. Michel YBERT ^{(1), (9)}	3/3	-	-	-

⁽¹⁾ Directors whose residence is outside the Kingdom.

⁽²⁾ Resigned from the Company's director, Vice Chairman and Chairman of the Nomination & Remuneration Committee effective from 2 May 2013; therefore the number of directors' meetings are 2 times/year.

⁽³⁾ Appointed as the Chairman of the Board of Directors and Chairman of the Nomination & Remuneration Committee effective from 2 May 2013.

⁽⁴⁾ Resigned from the Company's director, Vice Chairman and member of the Nomination & Remuneration Committee effective from 30 September 2013; therefore the number of directors' meetings are 2 times/year

⁽⁵⁾ Resigned from the Company's director effective from 3 October 2013; therefore the number of directors' meeting are 4 times/year

⁽⁶⁾ Resigned from the Company's director effective from 2 May 2013; therefore the number of directors' meetings are 2 times/year.

⁽⁷⁾ Appointed as the Company's director, Vice Chairman and member of the Nomination & Remuneration Committee effective from 3 October 2013; therefore the number of directors' meetings are 2 times/year.

⁽⁸⁾ Appointed as the Company's director effective from 2 May 2013; therefore the number of directors' meetings are 2 times/year.

⁽⁹⁾ Appointed as the Company's director effective from 2 May 2013; therefore the number of directors' meetings are 3 times/year.

⁽¹⁰⁾ Resigned from the Business Advisory Committee effective from 26 November 2013; therefore the number of Business Advisory Committees' meeting is 0 time/year.

^(*) Business Advisory Committee superseded the Executive Committee as resolved in Board of Directors Meeting no. 3/2013 held on 29 August 2013

- Current Business Advisory Committee members are directors number 4, 6, and 9

- Current Audit Committee members are directors number 5, 7 and 13

- Current Nomination & Remuneration Committee members are directors number 2, 7, and 15

Remuneration of Directors and Management

Remuneration (money)

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 2013, the shareholders' meeting considered and approved monthly remuneration of the directors as follows:

• Chairman of the Board of Directors	70,000 Baht/month
• Vice Chairman	50,000 Baht/month
• Chairman of the Business Advisory Committee*	65,000 Baht/month
• The Business Advisory Committee*	60,000 Baht/month
• Chairman of the 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 2013, the shareholders approved remuneration for the Board of Directors in the shareholders' meeting, including bonus payments based on the operational results for 2012. The total remuneration for the Board of Directors amounted to 7,859,000 Baht, inclusive of a total bonus payment of 9,491,858 Baht. Details are as follows:



* On 29 August 2013, Business Advisory Committee superseded Executive Committee and responsible for Strategic and Risk Management.

Unit : Baht/year

Name	Position	Remuneration	Bonus paid in 2013	Total Remuneration and Bonus
1. Mr. Roger Lester Kearns ⁽¹⁾	Chairman of the Board of Directors, Chairman of the Nomination & Remuneration Committee	280,000	822,993	1,102,993
2. Mr. Jacques van Rijckevorsel ⁽²⁾	Chairman of the Board of Directors, Chairman of the Nomination & Remuneration Committee	680,000	658,395	1,338,395
3. Mr. Anon Sirisaengtaksin ^{®, (3)}	Vice Chairman of the Board of Directors, Member to the Nomination & Remuneration Committee	450,000	219,465	669,465
4. Mr. Bruno van der Wielen	Director, Managing Director, Member to the Business Advisory Committee*	720,000	658,395	1,378,395
5. Mr. Pote Videtyontrakich	Independent Director, Member to the Audit Committee	720,000	658,395	1,378,395
6. Mrs. Puntip Oungpasuk [®]	Director, Chairperson of the Business Advisory Committee*	780,000	658,395	1,438,395
7. Mr. Pipop Pruecksamars	Independent Director, Chairman of the Audit Committee, Chairman of the Ad-Hoc Committee, [#] Member to the Nomination & Remuneration Committee	780,000	658,395	1,438,395
8. Dr. Dhanes Charoensupaya [®]	Director, Member to the Ad-Hoc Committee [#]	360,000	658,395	1,018,395
9. Mr. Vincenzo Morici	Director, Member to the Business Advisory Committee*	480,000	658,395	1,138,395
10. Mr. Andre R. van der Heyden	Independent Director	360,000	658,395	1,018,395
11. Mr. Gilles Madjarian ⁽⁴⁾	Director	273,000	384,063	657,063
12. Mr. Dominique Dussard ⁽⁵⁾	Director	60,000	658,395	718,395

Name	Position	Remuneration	Bonus paid in 2013	Total Remuneration and Bonus
13. Mr. Andrew Lenard Cumming ⁽⁶⁾	Director	120,000	658,395	778,395
14. Associate Professor Dr. Danuja Kunpanitchakit	Independent Director, Member to the Audit Committee	720,000	384,063	1,104,063
15. Mrs. Vallapa Assakul	Independent Director	446,000	384,063	830,063
Directors who were appointed during 2013				
16. Mr. Bowon Vongsinudom ^{®, (7)}	Vice Chairman of the Board of Directors, Member to the Nomination & Remuneration Committee	150,000	-	150,000
17. Mrs. Quitterie Dupontreue de Pelleport ⁽⁸⁾	Director, Member to the Ad-Hoc Committee [#]	240,000	-	240,000
18. Mr. Michel YBERT ⁽⁹⁾	Director	240,000	-	240,000
Directors who resigned during 2012				
19. Mr. Veerasak Kositpaisal [®]	Vice Chairman of the Board of Directors, Member to the Nomination & Remuneration Committee	-	438,930	438,930
20. Dr. Christian De Sloover ⁽¹¹⁾	Director	-	274,331	274,331
Grand Total		7,859,000	9,491,858	17,350,858

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

⁽¹⁾ Resigned from the Company's director, Vice Chairman and Chairman of the Nomination & Remuneration Committee effective from 2 May 2013

⁽²⁾ Appointed as the Chairman of the Board of Directors and Chairman of the Nomination & Remuneration Committee effective from 2 May 2013

⁽³⁾ Resigned from the Company's director, Vice Chairman and member of the Nomination & Remuneration Committee effective from 30 September 2013

⁽⁴⁾ Resigned from the Company's director effective from 3 October 2013

⁽⁵⁾ Resigned from the Company's director effective from 22 February 2013

⁽⁶⁾ Resigned from the Company's director effective from 2 May 2013

⁽⁷⁾ Appointed as the Company's director, Vice Chairman and member to the Nomination & Remuneration Committee effective from 3 October 2013

⁽⁸⁾ Appointed as the Company's director effective from 2 May 2013

⁽⁹⁾ Appointed as the Company's director effective from 2 May 2013

⁽¹⁰⁾ Resigned from the Company's director, Vice Chairman and member to the Nomination & Remuneration Committee effective from 8 August 2012

⁽¹¹⁾ Resigned from the Company's director effective from 24 May 2013

* Business Advisory Committee superseded the Executive Committee as resolved in Board of Director Meeting no. 3/2013 held on 29 August 2013

Ad-Hoc Committee as resolved in Board of Directors Meeting no. 3/2013 held on 29 August 2013 in order to ensure appropriate corporate governance practices

In addition to above, as resolved by the Nomination & Remuneration Committee, executive who served as the Company secretary is entitled to receive an appropriate additional remuneration due to increased workload. The total of remuneration of the Company secretary paid in 2013 was 898,395 Baht, comprising total monthly remuneration of 240,000 Baht and annual bonus payment of 658,395 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 2013, the monthly remuneration for three directors who served as the Business Advisory Committee was 990,000 Baht. This amount was incorporated into the remuneration of the Board of Directors. The total 2013 remuneration for five executives was 51,298,167 Baht. Such remuneration comprised salary and bonus.

Remuneration (other)

Company provides the provident fund by paid in 5-8 % of salary basis. Year 2013, company paid the provident fund for 5 managements in the amount of 941,977 THB.



Human Resources Management - Alignment on Aspirations for the Future

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. As of 31 December 2013, there were 491 employees working for Vinythai.

- Creating a New Company Culture through “Management Model & People Model”

To realize our vision and to guide our decision-making processes, the “**Management Model**” defines the key Company success drivers and the **expected behaviors** at all levels in the organization. As we move into the future and grow, it's important to have a solid structure that supports our culture and the way we work as a team. We call this structure our “Management Model”.

Our Management Model

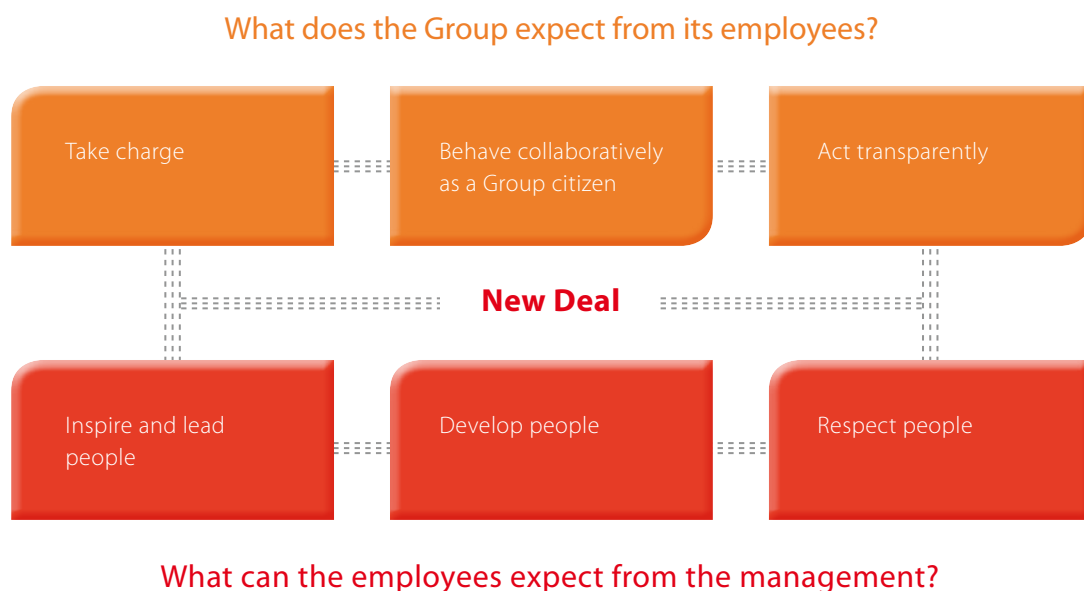


This Management Model focuses the **Businesses** on their strategic priorities, strengthens **empowerment**, **accountability** and **discipline** through the Company and develops the need of **operational excellence**.

The **“People Model”** defines what each individual can expect from the Company, and what the Company can expect from each individual. Our People Model is a social contract that defines the respective responsibilities of individuals on one hand, and of the Company on the other hand.

In other words, the People Model is a “new deal”, specifying what the Company’s expectations are from its employees and what employees can expect from management in return.

Our People Model



For the employees; a renewed commitment towards the success of the Company.

For the Company; an enhanced empowerment and inspiration to drive individuals’ success.

In 2013, our efforts have focused on two “must haves”:

- **Empowerment and Accountability**; Empower the right people at the right level in the organization. It is the intention to empower people at all levels in the organization to take decisions on their areas of responsibility within a clear framework. “Empowerment for all” goes together with full accountability. The employees empowered are required to demonstrate full commitment and will be held accountable for the results.

- **Develop people;** Provide rich career opportunities and challenging responsibilities in the organization as well as develop the skills of people for the future.

The “**Bridge Workshop**” is a learning tool designed to deploy our Management Model & People Model through the organization. Our employees at all levels participated actively in this “Bridge Workshop” which enable them to understand why the Management and People Models are necessary to the business success. This workshop also helped to engage, integrate and align all employees and managers around the new behavioral expectations required to support the business strategy.

- Leveraging HR support to promote the culture of people development, empowerment & performance for sustainable success

- **People Development**

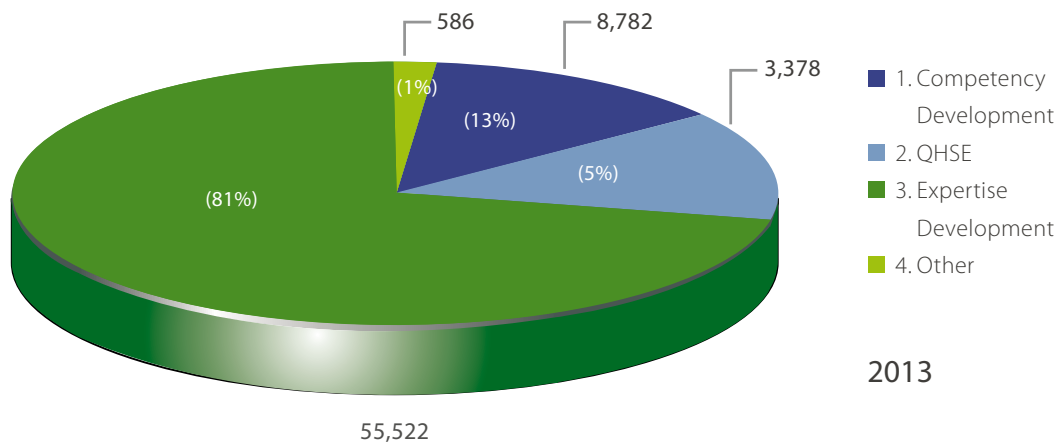
Our people are recognized as a key asset of the Company. We never cease to develop our employees’ expertise and competencies as well as to provide them with rich career opportunities through training & development, internal mobility and international assignment.



In year 2013, the total number of training days per employee increased to 17 days, especially in the area of knowledge & expertise development (job related expertise and on the job training) representing 84% of all training categories.



Training hours by training category



- (1) Leadership, Management, Language, Culture, Values, Communication, Negotiation, Soft Skills.
 (2) Quality - Hygiene - Safety - Environment
 (3) All technical and specific trainings related to a job (Mechanical for maintenance people - Technical Process for Manufacturing employees - Finance for Financial people etc.)
 (4) All the trainings which don't fall in one or the other above

Training Days/employee



In addition, to foster employees' development and provide them interesting career opportunities, in 2013, several employees moved to work for other companies within the Solvay Group;

- Six Vinythai employees moved to RusVinyl Limited Liability Company in Russia to support in commissioning of a new PVC Plant,
- Two Vinythai employees transferred to Solvay Peroxythai Limited, Map Ta Phut, Rayong in the Maintenance and Purchasing functions,

- One Vinythai employee assigned to work on Mission for the project at Solvay Peroxythai Limited, Map Ta Phut, Rayong

- New Performance, Development & Career Review

The new Performance, Development & Career Review (PDCR) has been implemented to organize employee's reviews in four main dimensions (**Objectives, Performance, Development and Career**) through a common process and set of behaviors.

To anchor our new culture into this employee review process, the Management & People Models are translated into 12 behavioral competencies that are used for the employee's assessment. This process defines the employee's strengths and development areas which will be important inputs for development initiatives and career planning.



The PDCR process will also foster individual career evolution, helping each employee to grow and develop new skills and behaviors.

- New Compensation Policy

The new Bonus policy applies to all employees and is designed to:

- Implement a high performing culture to contribute to the Company success.
- Reward **individual and collective performance**,
- Measure progresses on **sustainable development targets**.

Individual Bonus is based on the achievement of individual objectives set as a part of Performance, Development and Career Review process (PDCR), and the **Collective Bonus** is based on the realization of economic and sustainable development KPI's

The bonus also links the performance of employees to the economic performance of the Company where they have a direct impact and contribution. This fosters empowerment, collective engagement at the Company level, and reward performance closer to the reality of the contribution of each.

Supplement



H.R.H. Prince Philippe of Belgium together with the Belgian Cabinet, business people and the press visit Vinythai Plc. and Advanced Biochemical (Thailand) Co., Ltd. at Map Ta Phut Industrial Estate, Rayong.



On March 20, 2013, H.R.H. Prince Philippe of Belgium visited Vinythai Plc. and Advanced Biochemical (Thailand) Co., Ltd., its subsidiary company, at Map Ta Phut Industrial Estate, Rayong together with his 80-strong entourage including HE Jean Claude Marcourt, Vice-President and Minister of Economy, SMEs, Foreign Trade and New Technologies of the Walloon Government and Minister of Higher, Education of the Wallonia-Brussels Federation, business people and the press. The warm and hearty welcome was given by Mr. Jean-Pierre Clamadieu, Chief Executive Officer of Solvay S.A. and the management team of Solvay Group and Vinythai Plc.

H.R.H. Prince Philippe was reported the businesses operations of Solvay Group in Thailand by Mr. Bruno van der Wielen, Managing Director of Vinythai. The program continued with a visit to the plants of Vinythai and Advanced Biochemical (Thailand) where Prince Philippe and his entourage observed and were briefed about the production process of the key products, i.e. PVC resins, Caustic Soda and Epichlorohydrin.

Before departure to Bangkok, H.R.H. Prince Philippe planted a “Mahachok” tree in front of the Administration Building. The tree was planted next to the Star Yellow tree which humbly granted from H.R.H. Crown Prince Maha Vajiralongkorn on an occasion of H.R.H. Crown Prince Maha Vajiralongkorn’s the fifth-cycle Birthday Anniversary Celebration.



H.R.H. Princess Mathilde of Belgium Visits Vinythai's Coral Project

On March 20, 2013, H.R.H. Princess Mathilde of Belgium visited "Vinythai Collaboration on Starting Coral Cultivation 80,000 Branches for His Majesty the King" Project at Chong Samaesan, Samaesan Sub-District, Sattahip District, Chon Buri Province. The warm and hearty welcome was given by Chon Buri authorities led by Chon Buri Deputy Governor, Royal Thai Navy, Provincial Police Region 2, Department of Marine and Coastal Resources, Samaesan authorities and locals, Vinythai Management and staff as well as Management of Marine Science Activity and Conservation Foundation supported by Vinythai Public Company Limited.

H.R.H. Princess Mathilde visited the exhibition of Vinythai's CSR project "Coral Cultivation of 80,000 Branches for His Majesty the King" and was reported the overview of the project by Mr. Sompot Cheeranorawanich, Vice President, Corporate Affairs and Communications, Vinythai Public Company Limited. The program continued with a demonstration of how to cultivate coral with PVC pipe by Mr. Prasan Sangpaiboon, Chairman of Marine Science Activity and Conservation Foundation supported by Vinythai Public Company Limited. After that, H.R.H. Princess Mathilde cultivated a coral with PVC pipe. The H.R.H. Princess Mathilde's coral was brought into the Samaesan Sea where the first coral which H.R.H.



Princess Maha Chakri Sirindhorn cultivated on August 26, 2008 has been located.

Before leaving, H.R.H. Princess Mathilde graciously paid a respect to Luang Pho Dum", a 5-metre height Buddha image in the subduing Mara posture enshrined in the sermon hall of Chong Samaesan Temple and visited local products presented by Samaesan community.



Community Welfare Means Vinythai's Sustainability

Because people, their communities and the nature are all around its factory, Vinythai is aware of the need for mutual co-existence. It, therefore, has integrated its industry into all neighbors in a caring manner.

The happy co-existence among the industrial factory, communities, the society and the environment is the key to a sustainable business. Vinythai Public Company Limited, therefore, has supported projects that deliver public benefits. The support is made in five areas namely the Health and Safety Promotion; the Environmental Conservation; the Promotion of Education for the Youth; the Promotion of Religious Affairs, Culture, Traditions and Important National Days; and the Occupational Development and Living-Conditions Improvement for Communities.

During the past years, Vinythai has reached out to people in Map Ta Phut-based communities on a continued basis to listen to their opinions and recommendations, to promote mutual understanding, and to maintain good ties. The firm has also offered support and taken part in many projects/activities for the same purposes.

Regarding the **Occupational Development and Living-Conditions Improvement for Communities**, Vinythai has extended its support to housewives' groups from three neighboring communities. They are the Mapka – Mapnai Community, the Soi Ruam Pattana Community and the Ban Plong Community. The support is in the forms of developing the housewives' skills and handicrafts to a point that their products can be sold for stable income. Vinythai has offered occupational training to the local housewives. It has also organized educational visits for them to see how handicraft groups in other communities are working. Moreover, Vinythai has explored and created business opportunities for the local housewives' groups too so as to help them sell their handicrafts to the general public.



Mapka – Mapnai Community in Tambon Map Ta Phut, Mueang District, Rayong Province

Hand-made gossamer fabric flowers are the output from the skills and dedication of the **Mapka - Mapnai Community Enterprise**, which is based in Tambon Map Ta Phut, Mueang District, Rayong Province. Locals in this community have come together to develop supplementary occupation as they wish to generate extra income for their family during their free time. The occupational-skill development also aims to boost the quality of life and unity in the community.

Vinythai has launched the **Gossamer Fabric Flower-Making Occupation Development and Promotion Project** for locals in the Mapka - Mapnai Community. Through the project, experts are recruited to equip the locals with additional skills and techniques. The experts have also helped with packaging design to ensure the products from the community enterprise constantly appeal to the market. Today, the community enterprise's gossamer



fabric-flower products are greater in variety. Apart from gossamer fabric flowers for vases or gossamer fabric-flower brooches, the community enterprise has now produced gossamer fabric-flower wreaths and funeral paper-flowers too.

Vinythai in the hearts of locals

"Vinythai has never abandoned us. It has been with us from the very beginning, giving funds and tools including display cabinets. It has paid caring attention to us all along. Indeed, it has always asked whether we need something else. Thanks to Vinythai, we have got educational visits to other communities and learn how other community enterprises are running their business. Vinythai has arranged the training by experts for us too. It goes as far as finding markets for our products. Now, artificial flower making becomes our supplementary occupation. This job keeps our elderly members busy. It's good because they won't feel lonely."

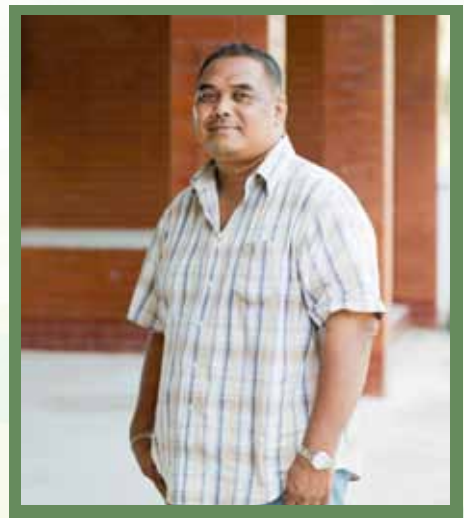
Jenwoot Sakjarern, vice chair of the community





Soi Ruam Pattana Community, in Tambon Map Ta Phut, Mueang District, Rayong Province

From its small-group discussion with Soi Ruam Pattana Community's members in 2011, Vinythai becomes aware of the locals' wish to learn and pick up occupational skills. The locals told the firm they hoped their community would be able to sell local products for a sustainable income. In response to their wish, Vinythai started a project to develop plastic wicker products in their community. Teachers have been hired to teach the locals how to turn plastic straps into wicker handbags, wicker baskets, wicker boxes and more. Through the project, the locals have also been taught how to design their products based on market needs. Product prices range between Bt30 and Bt350 apiece, depending on size and design. Local housewives have gathered every two weeks to produce the wicker items under the project.



Vinythai in the hearts of locals

"Vinythai has given us solid support on training. We have been updated about new pieces of knowledge and techniques every now and then. This project has given us quite good income. We can create such products during our free time and sell them later. Vinythai has given us the crucial knowledge that will be with us forever. It has also provided financial subsidy and brought in purchase orders. This is a really good policy."

Wirun Malit, chair of the community



Ban Plong Community in Tambon Map Ta Phut, Mueang District, Rayong Province

This community initially had its own occupational-development project with a focus on the production of vinyl advertising boards. Over time, the project had accumulated a huge pile of unwanted boards though. Some boards were used and then discarded. Some other boards became unusable after printing errors and thus thrown away too. As the discarded boards threatened to cause garbage problem in the community, locals tried to recycle the stuff into raw materials for tables, awnings, venetian blinds, and floatable toilets for use during flood seasons. Aware of the community's efforts, Vinythai has recommended the locals to turn the vinyl boards into unique bags. That is how the vinyl-board bag project has come into place. Not only that the project increases the income of housewives in the Ban Plong Community but it is also friendly to the environment. Old materials are recycled and put into good use.



Vinythai in the hearts of locals

"Vinythai has supported us in various ways. It has donated used vinyl boards to us. It has also brought us purchase orders. It has bought some bags itself for use at its seminars, fairs, and other activities. Thanks to the bag-making project, housewives have got a supplementary occupation. They can work on this in their free time and help support their family. This is also a project whereby community members can get together and work together."

Suntorn Parinjit, chair of the community





Risk Issues and Mitigation

Risk Management



Vinythai Risk Management Committee (RMC) comprises 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.

Risk management policy and framework are defined and aligned with the Company's strategy and vision. The Committee actively develops risk management processes covering all identified & potential risks that pertain to its businesses, 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 four types: industrial risks, financial risks, operational risks, and megatrend & green movement 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 and glycerine, which are its pivotal inputs, alongside with salt and electricity. Ethylene and glycerine respectively accounted for around 50% of the Company's total production costs in 2013.

Mitigation:

Concerning fluctuations in its end product prices, Vinythai's marketing & sales teams closely monitor price evolution in order to proactively make adjustments to prevailing conditions. The Company's fully-integrated production processes help, to some extent, to shield it from Ethylene and glycerine price volatility. To further reduce the impact of those 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 Vinyls 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 secure supplies continuously. 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 2013, 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 diversification into Epichlorohydrin production using "green technology", reduced 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 end of 2013, the Company has entered into 3 Long-Term Loan Agreements with financial institutions to support its expansion.

- In 2010, the Company entered into a THB 4,500 million Long-Term Loan Agreement with local banks, to finance the Epichlorohydrin production project in Thailand of its subsidiary, Advanced Biochemical (Thailand) Company Limited, which started commercial operation in Q1 2012. This loan drawdown was fully completed by mid of 2013. The loan's recorded outstanding as at 2013 is THB 2,857.10 Million, after repayments and prepayment.

This THB 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 has to pay interest on its borrowings under the loan on a quarterly basis. The Company is also required to maintain certain financial ratios with respect to the loan.

- In 2013, the Company entered into 2 RMB Long-Term Loan agreements totaling RMB 420 million with commercial banks in Thailand to finance the new Epichlorohydrin production project in China of its subsidiary, Solvay Biochemicals (Taixing) Company Limited. The loans are during drawdown with recorded outstanding as at 2013 is RMB 110 Million.

The RMB Long-Term Loans have their term of 7 years with their grace period of 3 years. The principal repayments are set for semi-annual installments, commencing 1 August 2016, with the final installment due 1 August 2020. The Company is required to pay interest on its borrowings under the loans on a quarterly basis. The Company has also to maintain certain financial ratios with respect to those loans.



Mitigation:

The Company closely monitors its performances, including all its projects. Moreover, the Company adopts a conservative treasury policy and liquidity management while targeting a reasonable, low-level debt-to-equity ratio. The Company is not reluctant to utilize its cash generation for loan prepayment without penalty fee. THB 1,000 million was prepaid in December 2013. As such, the Company is confident that it is unlikely to encounter any debt repayment or liquidity inadequacy problems.

2.2 Interest rate risk

In view of current uncertainties surrounding economic conditions and financial market liquidity, the Company is exposed to interest rate volatility as the Company is engaged with a floating THB loan and floating and fixed RMB loans.

Mitigation:

The Company closely monitors movements on its deposit accounts with financial institutions and on its Long-Term Loans 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 Foreign exchange rate risk

The Company and Advanced Biochemical (Thailand) Company limited, its affiliate, are exposed to exchange rate volatility on their revenues from both domestic and export sales, all of which are mainly priced in US dollars. The Company is also exposed to risk on payments to its main feed stocks, due to their being mainly priced in US dollars. The Company's other raw materials, machinery and equipment maintenance are also all denominated in foreign currencies, notably US dollars, Euro, Japanese yen.

Regarding the Company's new investment in the Epichlorohydrin plant in China via its holding company in Singapore, Vinythai Holding PTE, 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 foreign exchange 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, Both capital injections and long term loans to finance the project are denominated in RMB, local currency to be matched with future cash generation from the project, 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

Due to 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 issues, 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 Supply chain risk

Nowadays customers carefully do concern on cost especially on inventory and its management for raw materials/finished goods. Some applies on "zero inventory" policy.

Therefore as suppliers Vinythai has to ensure that all potential risks related to supply chain such as threats from terrorism, piracy, and fraud, or disturbances caused by natural disasters; are treated and managed properly.





Mitigation:

The Company implemented according to a framework of ISO 28000 – security management systems for the supply chain. The relevant team has been nominated to assess all potential risks and implement necessary measures to prevent those risks and threats from adversely affecting the customer businesses. As a result, this increases the Company's ability in supply chain to effectively implement mechanisms that address security vulnerabilities at operational levels, as well as to establish preventive actions.

4. Megatrend - Green Movement Risks

4.1 Greenhouse gas emission

Greenhouse gases could trap heat and make the planet warmer. The largest sources of greenhouse gas emissions are from burning fossils fuels for electricity, heat, and transportation.

Nevertheless other sources would be from industry, commercial & residential, agriculture, and land use & forestry.

Holding a world-scale manufacturing plant, the Company realizes that it is one of the emission sources, and it should be a part of solution. Necessary actions taken would help the Company not only in term of emission reduction, but also in term of natural preservation.

Mitigation:

Vinythai participates and implements several measures to reduce emissions and to target the development of products that contribute to emission reductions. Those measures are taken with clear objectives in short term and long term, being aligned with our strategic targets relating to energy saving.

For examples:

=> Finished goods – they are certified by the nationally carbon reduction labels for all finished goods;



=> Production & support processes – the managers roll out continuous improvement programs:

- energy saving: by support from energy saving experts (Solwatt), energy saving committee,
- production: carbon footprint reduction,
- support function: carbon reduction label for buildings (Laboratory building at plant), Green meeting (1).

Those programs led the Company to receive many recognition awards over the past few years.

4.2 Sustainable product portfolio management

Vinythai sees sustainability as crucial aspect of its strategy; a product application portfolio is one of areas where the Company puts an effort to enhance its sustainability. Without a properly management of product application portfolio, this could generate a significant impact on business performance in a long run.

Mitigation:

The Company has adopted a tool, named “Sustainable Portfolio Management” since 2011. This tool has been developed by the main shareholder; it is a kind of analysis, that the Company assesses on product application VS sustainability into two dimensions: 1) environmental impact of manufacturing, and 2) degree to which the product in that application being in line with the consumers’ long term expectations. From this, it allows the Company to better understand the market trends and to help in the development & investment in the right strategic track.

Nowadays around 70% of the product portfolio has been assessed and the Company also extended this assessment to all important R&D projects.



Corporate Governance

Corporate Governance Policy

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 2013 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 Shareholders, Role of Stakeholders and Role of Disclosure and Transparency. In the evaluation

of the Company's arrangement of its Annual General Meeting of Shareholders 2013 by the Thai Investors Association, Vinythai ranked on the list of "Excellent" listed companies.

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. Conduct the business on conformity with stipulated rules, regulations and standards; establish effective internal control system.
7. Emphasize risk management.
8. Create long term value for all shareholders and all stakeholders.
9. Establish and put into practice a code of ethics.
10. Promote Best Practices, as recommended by the Stock Exchange of Thailand, throughout the organization.





The Company's management and employees has 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, roles of stakeholders, disclosure and transparency, and Board responsibilities. The Board of Directors Meeting No. 3/2013, held on 29 August 2013 resolved to appointed an "Ad-Hoc Committee" in order to ensure appropriate corporate governance practices within the Company and its subsidiaries, with 1 year term and effective from 29 August 2013.

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

In light of the right of shareholders, the Company respects the right 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 the 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 2013 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 2013, the Annual Ordinary General Meeting of Shareholders was duly held on 30 April 2013. Shareholders presenting either in person or by proxy accounted for 90.71% of the total number of paid-up capital of 1,185,193,444 shares.

- In 2013, 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 16 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 33 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 9 November 2012 to 30 January 2013. 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 2013 shareholders' meeting. For the upcoming 2014 shareholders' meeting, the Company allowed shareholders to exercise such right from 26 November 2013 to 30 January 2014. The notification was posted on 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 (www.vinythai.co.th/feedback). Notification of this opportunity was posted through the applicable SET channel.

On the AGM Day

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

- Upon registration, the Company also provided shareholders with ballots for each

agenda items and encouraged them to cast their votes, especially those wishing to vote against or abstain on any item.

- 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 the Chairman of the Board, Vice Chairman, the Managing Director, Chairman of the Audit Committee, Members of the Business Advisory Committee, independent director and other Board members totaling 12 persons. The Chairman of the Board of Directors acted as chairman of the meeting. In addition, the Company's auditor and concerned Management were 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.

After the AGM Day

- 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 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.

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 2013 Annual Ordinary General Meeting of Shareholders, shareholders representing 16,899,401 shares assigned proxy rights to the independent director.

- Considering the supervision of the utilization of inside information, as stipulated in its Code of Ethics, the Company practices effective safeguards against the abuse of inside information, including internal controls and monitoring systems tailored to each business unit and scenario. The Company prohibits executives or concerned departments who receive inside information from disclosing corporate data to the public or outside parties and requires them not to misuse their positions and confidential information to which they are privy for their own advantage. The employees are prohibited from utilizing the Company information or news which has not been disclosed to the public and may be material to the Company share price, with the purpose of seeking profit or benefitting from trading the Company's stock, whether directly or indirectly. Strict implementation of these preventive measures has resulted in no insider trading violations arising.



- The Board of Directors specified that Board members and Management must disclose any changes in their securities holdings to the SEC in accordance with Section 59 of the Securities of Exchange Act B.E. 2535. In case of purchase, sale, or transfer of securities, Board members and Management shall report changes in their applicable securities holding to the SEC and the SET. 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 on-going basis, considerable effort is made to safeguard the interests of each group as follows.

Shareholders

The Company treats shareholders equally and provides full and accurate information on any and all matters that might materially affect shareholder interests. The Company aims to represent the best interests of shareholders by concentrating on long-term growth and value. As such, the Company undertakes to provide decent and continuous returns to shareholders while being transparent and accurate in its disclosure of information. Moreover, being well 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 to monitor 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, proven by the Industrial Estate Authority of Thailand's Environmental Governance Award granted to Vinythai for 7 consecutive years, in 2013 the Company was awarded Environmental Corporate Governance Award, ranked as "Excellent Performance" (Gold Star Award). 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 within five years (2008 - 2013). Activities related to coral cultivation have been continuously organized in collaboration with the authorities and public. In February 2011, the Company launched "PVC Telescopes Celebrating His Majesty the King's 84th Birthday Anniversary",

a collaborative project with National Science and Technology Development Agency (NSTDA). The project has encouraged students to develop their knowledge of science and engineering skill by inventing, by themselves, a telescope from PVC pipe. The PVC telescopes 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 2013 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 level, at the same time enjoining them to strictly follow the associated directives in order to facilitate the goal of maximum energy conservation with maximum effectiveness. The 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 Work 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 an aim to enhance the commitment to corporate social responsibility, the Company is in progress to apply ISO 26000 Social Responsibility in 2013.

In addition, this year, the Company was selected by the Corporate Social Responsibility

Institute (CSRI), under the Stock Exchange of Thailand (SET), to receive the “CSRI Recognition 2013 Award” for continuously operating its business with sustainable social responsibility.

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 in 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 Associations, corporate governance policy, corporate activities, Board members and sub-committees, and investors news on its website both in Thai and in 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.

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 2013, 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	6
Group Analyst Meeting	4	6

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

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. With respect to the Company's Corporate Governance Charter, the directors may not be directors of more than five listed companies and must notify the Board of Directors of their positions for acknowledgement and approval.

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 Business Advisory 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. 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.

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 Business Advisory Committee and the Nomination and Remuneration Committee.

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

9. Assigning the Business Advisory 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 Business Advisory Committee and the Management to arrange and maintain internal control systems and ensure their effectiveness. The Board of Directors 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.

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.

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 skills, knowledge and working performance. The Company's Board of Directors actively participates in the professional company director trainings arranged by the Thai Institute of Directors Association (IOD). 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.

Business Orientation and plant visit are provided to the new directors in order 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.





Committees

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

1. The Business Advisory Committee

The Board of Directors Meeting No. 3/2013, held on 29 August 2013 resolved to create a new **"Business Advisory Committee"** to supersede Executive Committee and expand the advisory roles on Strategic and Risk Management. The members are as follows:

- | | |
|-----------------------------|-------------|
| 1. Mrs. Puntip Oungpasuk | Chairperson |
| 2. Mr. Vincenzo Morici | Member |
| 3. Mr. Bruno van der Wielen | Member |
| 4. Mrs. Vallapa Assakul* | Member |

** resigned from the Business Advisory Committee effective from 26 November 2013 term for 3 years effective from 29 August 2013*

The Business Advisory Committee has the following authority and duties:

Business Roles

- Monitor effective operation of the Company according to directions of the Board

of Directors and the Company's targets.

- Screen issues to be presented to the Board of Directors for consideration.
- Challenge short- and long-term action plans, investment and strategic plans developed to achieve the Company's objectives and goals.
- Assess and advise corporate target achievements and identify business risks that will impact corporate value.
- Advise financial management in order to reduce the financial burden and maintain a strong financial structure.
- Orient public relations plan that develops a positive and sustainable image.
- Recommend the salary structure and other benefits to employees provided by the Company.
- Perform any other acts as assigned by the Company's Board of Directors.

Risk Management Roles

- Prescribe policies and suggest measures for the appropriate and efficient management of risks associated with the business conduct of the Company.
- Follow up on and evaluate the performance in accordance with the organization-wide risk management framework.
- Define material risks and risk tolerance of the Company.

- Exercise oversight of management's responsibilities, and review the risk profile of the Company to ensure that risk is not higher than the determined risk tolerance.
- Review issues raised by Internal Audit or Audit Committee that impact the risk management framework.
- Ensure that the risk awareness culture is pervasive throughout the Company.
- Engage in any other duty as assigned by the Board of Directors.

The Board of Directors has the right to appoint the Chairman of the Business Advisory Committee that shall not be the same person of Chief Executive Officer or Managing Director. The Business Advisory Committee comprises at least three people, of which at least one person must be on the Board of Directors, all of whom must have verified management ability. Any management members that meet the qualifications may be appointed as a member of the Business Advisory Committee. The Company's shareholders, investors, and other stakeholders can access the Business Advisory Committee's Charter at the Company's website.

2. The Audit Committee

The Board of Directors Meeting No. 6/2011 held on 17 November 2011 appoint resolved to 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 sufficient knowledge understanding or experience in the field of accounting or finance.

As of December 2013, the Audit Committee comprises the following members:

1. Mr. Pipop Pruecksamars Chairman
2. Mr. Pote Videtyontrakich Member
3. Assoc. Prof. Dr. Danuja Member
Kunpanitchakit

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.**



According to the Audit Committee Charter, the term of office of the 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:

- Review the Company's financial reporting process to ensure that it is accurate and adequate.
- Review internal controls, management controls and internal audit activities to ensure that they are suitable and efficient; determine the independence of the internal audit unit; approve the appointment, transfer and dismissal of the chief of an internal audit or any other unit in charge of an internal audit, and; review the Company's compliance with Securities Exchange Committee and Stock Exchange regulations and all laws relating to the Company's business.
- Review to ensure that the risk management systems and measures of the Company are appropriate.
- Review the internal procedures concerning incident reports and complaints.
- Consider, select and nominate an independent person to be the Company's external auditor, propose an annual audit fee, and attend non-management meetings with the auditor at least once a year.
- Review connected transactions or any transactions that may lead to conflicts of



interest and ensure that they are in compliance with applicable laws, Securities and Exchange Commission of Thailand (SEC) and The Stock Exchange of Thailand (SET) regulations, are reasonable and are for the highest benefit of the Company.

- Prepare a disclosure in the Company's Annual Report comprising information required by the Stock Exchange of Thailand which must be signed by the Chairman of the Audit Committee.
- Perform any other acts as assigned by the Company's Board of Directors with the approval of the Audit Committee.
- Review the Audit Committee Charter at least once a year.
- Perform a self-assessment regarding its assigned duties and responsibilities at least once a year.
- Perform 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 2013, it held totally five meetings, comprising four meetings on quarterly basis, 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 2013 are disclosed in the Company's Annual Report and Form 56-1.

3. The Nomination and Remuneration Committee

The Board of Directors Meeting No. 3/2013, held on 29 August 2013 resolved to extend the roles of the "Nomination and Remuneration Committee" to also consider and recommend for the development of Senior Management (Vice President Level up). As of December 2013, the Committee comprises of existing members as follows:

1. Mr. Jacques van Rijckevorsel Chairman
2. Mr. Bowon Vongsinudom Member
3. Mr. Pipop Pruecksamars Member

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

- Select individuals worthy of nomination as new Directors or Chief Executive Officer or Managing Director using structured and transparent screening and nomination criteria for subsequent nomination to the Board of Directors and/or the Annual General Meeting for their approval.

- Determine remuneration for Directors,

Chief Executive Officer or Managing Director and Senior Management (Vice President Level up) by prescribing fair and reasonable criteria or procedures and proposing them to the Board of Directors and/or the Annual General Meeting for their approval.

- Consider and recommend for senior management development (Vice President Level up).

- Engage in any other duty as assigned by the Board of Directors.

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 qualified. Any person appointed shall retain office only for the remainder of the term of the member replaced. The Company's shareholders, investors, and other stakeholders can access the Nomination and Remuneration Committee's Charter at the Company's website.

4. The Ad-Hoc Committee

The Board of Directors Meeting No.3/2013, held on 29 August 2013 resolved to appoint the **"Ad-Hoc Committee"** in order to ensure appropriate corporate governance practices within the Company and its subsidiaries. The members are as follows:

- | | |
|---|----------|
| 1. Mr. Pipop Pruecksamars | Chairman |
| 2. Mrs. Quitterie Dupontreue de Pelleport | Member |
| 3. Mr. Dhanes Charoensupaya | Member |

Term for the Ad-Hoc Committee is 1 year with effect from 29 August 2013.



Nomination and Appointment of Directors and Top Management

Independent Directors

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

(1) holding shares not exceeding one per cent 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 shareholder or shareholders who are related to the company's major shareholder;

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

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

Directors and Top Management

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.

Good Corporate Governance of Its Subsidiaries and Associates

Nomination and appointment for a director of the subsidiaries and the associates must be

approved by the Company's Board of Directors. Such director is responsible to act at the optimum interest. Moreover, prior to proceeding of any important issue(s) of the subsidiaries, it should get approval from the Company's Board of Directors.

Control on the use of Internal Information

Considering the supervision of the usage of inside information, the Company has established control measures related to the use of internal information and stipulated the measures in the Corporate Governance Charter and Code of Ethic. The Board of Directors requires that it be notified by the directors and the management in the event of a change in securities holding as outlined by the Securities and Exchange Commission, in accordance with Section 59 of the Securities and Exchange Act, B.E. 2535 (1992). Moreover, the Company has designated that executives or concerned departments receiving inside information are restrained from disclosing corporate data to the public or unconcerned parties.

The holding of the Company's shares by the Management as of 31 December 2013 and changes from the past year is as follows:

Common Shares

Name	Title	No. of Shares 31 December 2012	No. of Shares 31 December 2013	Change
1. Mrs. Puntip Oungpasuk	Director Chairman of the Business Advisory Committee	84,200 *	84,200 *	None
2. Mr. Sompot Cheeranorawanich	VP Corporate Affairs and Communications - Company Secretary	3,990	3,990	None

*All of these shares held by her spouse, Mr. Piya Oungpasuk



The Company has provided the guidance on the use of internal information for the management and employees in a Code of Ethic Part II, No. 1.2 a. which specified that *“The employees shall not exploit their employment, information or document of the Company, customers and persons or firms with whom the Company has business relationship, for the interest of themselves or others, direct or indirectly”*; and No. 1.3 which specified that *“The employees shall safeguard the Company information; carefully prevent any Company confidential, proprietary information, non-public information or legal disputes from falling into the hands of outsiders, causing damages to the Company. When leaving the Company, the employees must return all property, documents and media within their responsibility”*; including No.1.5 which specified that *“The employees shall not utilize the Company information or news which have not been disclosed to the public and may be material to the Company share price in order to seek profit or benefit from trading of the Company stock, directly or indirectly.”* In addition, the Company has established policy about the protection of the Company’s confidential information that the confidential information of the Company must be protected and not transferred or shared to outsiders to ensure that the confidential information is properly controlled. A measure of protection of the Company’s confidential

information has been stipulated as a standing instruction for all employees at all level to comply with. Failure to control and protect the Company’s confidential information is breach of employment duties, and grounds for disciplinary action, up to, and including termination of employment. Disclosure or use of the Company’s confidential information without authorization is illegal and may subject an employee to civil or criminal liability.

To ensure the security of the information, the Company has put in place and developed the Information Technology system to secure the accessibility to the Company’s information; such as, IT system to protect the accessibility to the Company’s confidential and important information from external parties, the rights for accessibility to confidential and important information properly classified for units in line with their works and responsibilities.

Audit Fee

(1) Audit Fee

The Company and all subsidiaries paid the audit fee to the auditor in the past fiscal year in the amount of THB 3,690,400.

(2) Non-Audit Fee

The Company and all subsidiaries paid the non-audit fee for corporate income tax review and transfer pricing advisor to the auditor in the past fiscal year in the amount of THB 282,390.



Compliance with Good Corporate Governance Principles in Other Matters

Vinythai can comply in the line with the principles of good corporate governance for listed companies of the Stock Exchange of Thailand. However, there are some cases that the Company can not fully conform with these principles as follows:

Rights of Shareholders

- Percentage of free-floated should be more than 40 percent of outstanding shares or at least should be more than 25 percent.
- Shareholding by institutional investors should be more than 5 percent.

Equitable Treatment of Shareholders

- The Company should have the channel for minority shareholders to appoint Directors in advance of the AGM.

Role of Stakeholders

- The Company should establish the policy on anti-corruption and prohibiting bribery for the business interest, educate the employees on the anti-corruption policy and procedures.

Presently Anti-corruption Policy is under the process of creation by Ad-Hoc Committee of

the Company and such policy will be presented for the approval of Board of Directors' Meeting. The Company expects that the Policy will be deployed through all levels in 2014.

Disclosure and Transparency

- The Company should arrange for press release/newsletter on the Company's financial status and disclose in the Annual Report or on the website of the Company.

Responsibilities of the Board

- The Board should have a policy on term limit of 9 years or less for Independent Director or it would be more better of 6 years or less.
- The Nomination and Remuneration Committee should compose of a majority of Independent Director (more than 50 %).
- Board of Directors should compose of more than 50% of the Independent Director.
- Chairman of the Board of Directors should be an Independent Director.

The Board of Directors Meeting No. 3/2013, held on 29 August 2013 resolved to appoint the "Ad-Hoc Committee" in order to ensure appropriate corporate governance practices within the Company and its subsidiaries, with 1 year term and effective from 29 August 2013.



Audit Committee's Report for 2013



Audit Committee's Report for 2013

The Company's Audit Committee as appointed by the Board of Directors comprises three Independent Directors, leading by Mr. Pipop Pruecksamars as Chairman, with Mr. Pote Videtyontrakich and Associate Professor Danuja Kunpanitchakit, Ph.D. as members. All of the Audit Committee members have knowledge, expertise and experiences in various areas such as finance and investment, accounting, technical and petrochemical business. The Audit Committee's qualifications and composition meet all standards as defined by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Audit Committee has performed its duties in conformity with the Audit Committee Charter which is fully aligned with the requirements of the Stock Exchange of Thailand, and the mission entrusted to it by the Board of Directors.

Major activities held during 2013 are summarized as follows:

- **Meetings**

In 2013, the Audit Committee held totally five meetings: four ordinary meetings and one non-management meeting with the external

auditor. Meeting attendance of each committee member was disclosed in the Annual Report 2013, under Corporate Governance. The management and external auditor were invited to attend the meeting to discuss various issues of concern. The Audit Committee held a non-management meeting once a year with the external auditor without the presence of the Company's management in order to discuss issues concerning the preparation of the financial statements, disclosure of information, internal control and management's cooperation. The external auditor did not find significant issues which could impact the financial statements. The management provided full support and information as required by the external auditor to perform its duties.

- **Review of quarterly and annual financial statements**

Reviewed the financial statements and auditor reports, including end-2012 and 2013 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, provided recommendations to ensure that the

financial statements were credible, complete in compliance with the accounting standards, and contained adequate information and timely disclosure.

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

• **Connected transaction review**

Reviewed the disclosure of connected transactions and potential conflicts of interest to ensure that the Company has conducted its affairs in full compliance with relevant rules and regulations. Based on the review of commercial transactions undertaken in the normal course of business, no unusual transactions considered material were found. In 2013, the Audit Committee also reviewed the process of connected transactions with the management in order to enhance practice and transparency especially for transactions with potential conflicts of interest to be entered with major shareholders.

• **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 and assessment, the Audit Committee found that the Company has put in place appropriate and sufficient control systems.

Reviewed business risks linked to the Company's business objectives and 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 conducted by internal auditors of Solvay group, of which the audit was extended to its subsidiaries. The auditors concluded that overall control of the Company and its subsidiaries are at satisfactory level.

• **Corporate Governance review**

Acknowledged and advised the Company's corporate governance practices in line with regulations and recommendations of the SEC, the SET and the Thai IOD assessment. Resulting from continually conforming to the good corporate governance principles as stipulated by the SET, in 2013, the Company has been assessed and received the Very Good level of corporate governance recognition 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".

Reviewed reports, submitting via the Company's website, from stakeholders communicating critical issues and complaints regarding accounting, deficient internal control or unethical behaviors. In 2013, there has been no report of such finding through the Audit Committee.

Reviewed and revised the Audit Committee Charter to compile more details relating to composition, scope of duties, responsibilities and practical guideline, which was approved by the Board of Directors on 26 November 2013.

Continued to perform self-assessment of the Audit Committee as a whole to evaluate its general effectiveness. In 2013, the self-assessment was revised to add more questionnaires for assessment. Based on the 2013 self-assessment, overall performance was highly satisfactory.

• External auditor and audit fee review

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

the approval of the shareholders' meeting to appoint Mr. Supachai Phanyawattano, and/or Ms. Thipawan Nananuwat, and/or Ms. Siraporn Ouannunkun, and/or Mr. Khitsada Lerdwana from Ernst & Young Office, as the Company's auditor, and determined the auditor's remuneration for 2013.

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 adequate disclosure of connected transactions 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 internal audit functions, internal control systems, and suitable risk management 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



Internal Control and Risk Management

Internal Control and Risk Management

The Board of Directors continues to place an importance on appropriate and adequate internal control system as it realizes that an effective internal control is essential to run business towards profitability and achievement of missions, while maintaining accuracy, transparency and accountability. The Audit Committee has been assigned by the Board of Directors to review and evaluate adequacy and appropriateness of the internal control. The reviews have been made during the Audit Committee meetings with the auditors and concerned management through the financial reports, relevant management report, and internal audit reports to ensure the accuracy of the financial reporting and disclosure, completeness of the Company's bookkeeping and the adequate safeguarding of its properties, as well as the compliance with relevant regulations. The reviews have been also extended to the risks identified and managed by the Company's management in order to ensure that there is an ongoing process and measures to mitigate the risks.

The Audit Committee presented its semi-annual report to the Board of Directors in the Board Meeting No. 3/2013 held on 29 August 2013, and year-end report of 2013 to the Board Meeting No.1/2014 held on 21 February 2014 which included the evaluation of the internal control of the Company in compliance with the internal control evaluation form outlined by the SEC. After consideration, the Board of Directors has the same view as the Audit Committee that the internal control system remains satisfactory, adequate and appropriate for the Company's business operations. The risk management is sufficient to safeguard the shareholders' investment, the interests of customers, regulators, stakeholders, and the Company's assets. The review has not identified any circumstances which suggest any fundamental deficiencies in the Company's internal control system, which can be summarized that

1) Control Environment

The Board of Directors supervises the Company to set clear and measurable annual business goals and strategic plans, as well as to monitor KPIs and key risks to ensure achievement to the Company's business goals. Policy on Corporate Governance and code of ethics have been defined and communicated to employees at all level. The Management and employees committed to adhere to the code. The Company takes all steps to ensure continuous compliance with ethical principles and that appropriate penalties are imposed in the event of any violation. Reviews on the code and policy are made to ensure appropriate changes to business environment. Implementation on principles of good corporate governance has been continually carried out to further improvement. According to the Company's structure, the roles and responsibilities of management and operation in each level have been clearly defined in writing and reviewed upon changes to ensure sufficient control. Appropriate resources are regularly reviewed and adjusted to ensure that the duty performance process especially involving high risks are justifiable. Performance measures are formulated and applied to employees at all levels. Trainings are continuously provided to employees to enhance their competency.

2) Risk Assessment

- The Company's risk management system is integrated into the review of corporate strategic plan which is annually presented to the Board of Directors for consideration. The Board of Directors assigned the Business Advisory Committee to prescribe policies and suggest measures for the appropriate and efficient management of risks associated with the business of the Company, to evaluate the performance and to review risk profiles of the Company as to ensure that the risks are not higher than determined risk tolerance. The

review by the Audit Committee is to ensure that the risk management systems and measures of the Company are appropriate.

- The Company implemented an Enterprise Wide Risk Management framework (ERM) to identify, measure, access and manage risks encountered by the Company and its subsidiaries. Under current Risk Management Policy and the Risk Management System which are steered by top level executives, all risk management members are responsible for management and mitigation of the potential corporate risks identified both from internal factors and external factors that could affect the achievement of the Company's objectives in the changing business environment. On-going monitoring of high risks are monitored and assessed to ensure effective mitigation measures. According to the policy, employees are required to integrate the risk management into normal management processes. 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.

3) Control Activities

- Policies, business process manuals, and procedures related to procurement, finance and credit management, contracts and loan agreement have been formulated to ensure management directives are carried out. Such policies and procedures are regularly reviewed to be appropriate for business operations. Delegation of power and transaction authority with line of approval has been defined in writing and approval by the Board of Directors, which covers delegation of power granted to the management to act as directors in its subsidiaries. Extending from the management down to the operational level, roles and responsibilities at each level have been defined, in writing, to demonstrate clear authority and duties of all employees. 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.

- Regarding connected transaction, Directors and the management are well aware of and comply with the regulations governing the connected transactions. Significant related transactions had been reviewed by the Audit Committee, covering criteria, procedures and information to ensure the transparency and the best interest of the Company. Directors or management having interests in the related transaction were not involved in decisions and approval process. The Company Secretary is responsible to keep report on interest filed by a director or executive of the Company.

- The financial reporting and all connected transactions are correct, complete with adequate disclosures to meet accounting standards and in conformity with the Securities and Exchange Acts, Regulations of the Stock Exchange of Thailand, and any other relevant laws.

- The Company selects and develops control activities over technology to ensure accuracy and transparency of the operations. Access to confidential information, significant data, or critical application is limited to authorized persons. Rules and regulations have been established to ensure security of the Company's information system. In addition, procedure of business continuity plan was established to ensure company information system continuously in operation from any kind of failure.

4) Information and Communication

- The management obtains or generates and uses relevant and quality information from

internal and external sources. Meeting materials prepared for the decision of the Board of Directors are adequate and submitted to the directors in advance. Meeting minutes are recorded and kept for reference. Transactions and accounting records are completely filed. The financial reporting has been prepared in compliance with the generally accepted accounting principles in Thailand and other appropriate and consistent accounting policies. The Company has disclosed all important information both financial and non-financial to the SEC, the SET, and relevant regulators in a proper and transparent manner.

- The Company has implemented systematic data processing and enhanced information quality through a data governance program, as well as, identified, protected, and retained financial data and information with access and application control.

- The Company's information is identified and cascaded in a form and timeframe that enable staff to carry out their responsibilities. The Company has set up 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. The rights of any person who communicates such concern should be protected. The Company's website also 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.

5) Monitoring activities

- The Company has a monitoring process at both operational and management levels. The Board of Directors assigned the Business Advisory Committee to assist the Board in monitoring the performance indicators and business goals compared to the approved targets. In case there is a major issue with possible impact to the Company, the management will review the situation and propose actions to the Board of

Directors. Each operational unit has implemented their on-going monitoring process to ensure their works are aligned with and achieved the business targets of the Company, with consideration of risk assessment.

- The Company has also established internal audit department to review the control system and monitor plans to ensure an effectiveness and adequacy of the internal control. Audit findings are reported to the Audit Committee meetings whereby the Audit Committee reviewed and provided recommendations for improvement.

The Company's external auditor reviewed the internal control including information technology system and found that the internal control system is satisfactory and the financial reporting is in compliance with the accounting standard. Being one of Solvay's affiliates, Solvay audit team also performs an audit at Vinythai and its subsidiaries at least once a year to review the effectiveness of the Company's operations. On each of the occasions-to-date, Solvay's auditors have found the Company's internal control systems to be satisfactory and have identified no significant issues.

Head of Internal Audit

The Company has appointed Dr. Supachat Chairatanathavorn as Internal Audit Department Manager and in charge of Secretary to the Audit Committee. The Audit Committee recognized that Dr. Supachat Chairatanathavorn has competency to perform the duty in leading the internal audit unit. With more than 10 year experience in the Company, Dr. Supachat has extensively supported the Company for business improvement.

According to the Audit Committee Charter, the Audit Committee approves the appointment, transfer, and dismissal of the chief of an internal audit unit, or any other unit in charge of an internal audit, including expressing an opinion on qualifications and performance of the chief of an internal audit unit.



Corporate Social Responsibility

Integrated Management System Policy

Vinythai Plc. is an industrial company dedicated to the production and sales of Polyvinyl Chloride, Vinyl Chloride Monomer and Caustic Soda. In addition, it set up a fully integrated subsidiary – Advanced Biochemical (Thailand) – that manufactures and supplies Epichlorohydrin.

Our business goal is to be our customer's first choice suppliers while practicing corporate responsibility principles, especially as they relate to health, security, safety, and environmental issues. We manage our businesses in full compliance with the laws and regulations, in a spirit of solidarity with the expectations of communities and concerned parties

We conduct our businesses with the below key principles:

- focus on the customer satisfaction, including to other stakeholders.
- promote supply chain security threat and risk management at stages, including the transportation of goods.
- improve continuously the quality of our products.
- keep listening to our customers in order to satisfy their expectations.
- create added value for our customers through innovation in processes, services and technologies.
- continuously improve the environment protection through economical consumption of natural resources, meanwhile decreasing solid wastes and emission to the atmosphere, water and soil.
- continuously enhance security, safety and health protection through a personal commitment.

- comply with the business & operation standards (such as FDA, TIS, HALAL and Kosher), legal and voluntarily requirements regarding to health, security, safety, and environment via action plans & objectives, including application of Best Available Technology (BAT) when possible and advisable.

- promote security, safety, health and environment awareness to our personnel and contractors performing activities for the Companies. Our management commitment to this promotion is a key prevention vector.

- conduct business in a socially responsible and ethical manner versus our human resources, investors, customers, suppliers, local communities and civil society issues.

- actively cooperate with the authorities, communities and other interested parties for handling all health, security, safety, and environment issues.

All employees and contractors do comply with those principles. We strongly believe that commitment by every employee and manager to the above principles, shall lead our Companies to achieve goal of sustainable growth and to become totally responsible towards health, security, safety, and environment.



(Mr. Bruno van der Wielen)
Managing Director

Continuous Improvement of Quality, Safety, Health and Environment Performance

Vinythai's vision for achieving continuous improvement of its quality, safety, occupational health and environment performance and its overall drive for excellence is implemented through a range of strategies. The Company sets itself ambitious and demanding quality, safety, health and environment goals and seeks to ensure complete compliance with internationally-recognized management systems through its Responsible Care Initiative. Management focus and employee engagement at every level is seen as key to achieving these objectives:

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

Integrated audits to monitor and help to ensure high standards, effective implementation, full compliance and continuous improvement of three integrated management systems – ISO 9001, ISO 14001, OHSAS 18001 – are undertaken by independent assessors twice annually. 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: voluntary internal compliance with more stringent exposure standards for protecting the health**

The company has maintained implementation of health risk assessment using tools developed by its major shareholder and has undertaken an annual review of the program and the performance of concerned staff. In 2013, this involved reviewing over 1,200 tasks, including those performed at the new Epichlorohydrin

plant. In addition, in 2013, the team achieved voluntary compliance with Solvay Acceptable Exposure Limit (SAEL), an internal standard set up by the Company's major shareholder which is even more stringent than the local regulations.

- **Occupational Safety: from "Zero Injuries" to "Zero Incidents" organization**

The Company promotes systematic risk assessments in relation to activities performed, and monitors for potential hazards at the earliest stage, thereby minimizing risks. "Behavior Based Safety" (BBS) is implemented so as to continuously promote a safety culture throughout the Company. Some 50% of the Company's permanent staff are

trained observers and over 6,000 safety dialogues have so far been held with both the Company's and its contractors' staff at all levels.

To maintain a level of "Zero Incidents" in 2013, the Company continued with its "HSE Culture Program", including arranging workshops that were attended by all staff at supervisory level and up.

In 2013, Vinythai maintained its unbroken record of no accidents with lost working days among either the Company's or its contractors' personnel. In achieving 5 million consecutive work hours without lost working day accident, the Company earned a "Zero Accident Award – Silver Level" from the Ministry of Labor for the 4th consecutive year.

• Process Safety Management program enhancement

To operate and maintain its plant and asset integrity in such a way that all risks are appropriately managed and contained, the Company conducts systematic process hazard and safety analysis. In 2013, Vinythai conducted a complete process hazard analysis and review of process and operations controls in the form of a full Hazard and Operability Analysis (HAZOP), as is required every five years.

• Transport Safety Management System: key element of "Product Stewardships"

Regulations and measures for transportation safety under our product stewardship program cover receiving delivery of raw materials and storage and distribution of our products. The Company implements the internationally recognized Safety and Quality Assessment System (SQAS) to monitor

and evaluate the performance of all transport and logistics service providers it works with. To encourage and promote this program to its transport service providers, the Company launched "Best Transporter Award" to extend recognition of their commitment and effort to maintain transport safety.

The Company maintains its contributions and is an active member of the "Chlor-alkali Agreement for Transportation Emergency Mutual Aid Group, CATEMAG", the highly recognized organization initiated by the Chlor-alkali Manufacturers in Thailand and the transport service providers. The training for the truck drivers, inspections and audits including emergency response plan drill is regularly conducted under supports from its Board of Directors and the relevant committees.

As a result of the aforementioned, the Company has maintained its good transport safety incident (TSPI1) rating at ZERO for the last three consecutive years.

• Environment Prevention and Protection Strategy: Golden Star Award for Excellence Environmental Governance

The Company's ongoing rigorous implementation of its systematic approach to improvement of its environment prevention measures and programs, including with regard to solid waste, achieved "Zero Landfill" in 2013.

These efforts were formally recognized in 2013 by sixth consecutive "Excellence Environmental Governance" and "Golden Star Award" from the Industrial Estate Authority of Thailand.

Corporate Social Responsibility Activities



Vinythai strongly realizes the coherent relationship between business prosperity and social well-being. Throughout its over 20 years, the Company has never ceased its efforts to improve existing social projects and activities and initiate new ones, so as to achieve a better life not only for neighboring communities but society as a whole.

In consequence of the goodwill and mutual understanding between Vinythai and society, this year, the Company was selected by the Corporate Social Responsibility Institute (CSRI), under the Stock Exchange of Thailand (SET), to receive the “CSRI Recognition 2013 Award” for continuously operating its businesses with sustainable social responsibility.

Vinythai also received the “Thailand’s Corporate Brand Rising Stars 2013” award for top brand value growth in the Industrial Products category. Organized

by Chulalongkorn Business School, Chulalongkorn University, the valuation of Corporate Brand Value Ranking was based on a new CBS Valuation program expressly created to measure corporate brand value. Some 492 companies listed on the Stock Exchange of Thailand were assessed accordingly during 2010 - 2012. The CBS Valuation program assessed Vinythai’s brand value at 5,594,558,313 baht with a growth rate 2,381.23%, the highest recorded among SET listed companies in the Industrial Products category.

With its commitment to 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:

1. Health and Safety for Employees and Surrounding Communities

Vinythai places health and safety as one of top priorities. Various activities related to occupational health and safety are promoted among its employees and in surrounding communities. In 2013, the Company implemented a range of projects related to health and safety, as follows:

- In collaboration with Noenpra Municipality and communities, Vinythai organized the 4th Noenpra -Vinythai Super Mini marathon for the H.R.H. Princess Somsawali Cups. This year, around 1,230 participants, ranging in age from under 10 to over 60, along with other interested parties from all across the country, joined in. Since 2010, the event has been organized to celebrate His Majesty the King's 84th birthday and is acclaimed both for encouraging youngsters

and the public to exercise and for promoting Sangchan-Suchada beach's impressive tourism potential.

- In collaboration with Map Ta Phut Industrial Estate and the Office of Disaster Prevention and Mitigation of Map Ta Phut Municipality, the Company staged a rehearsal of the Community Emergency Preparedness Plan for Soi Prapa Community with the aim of refreshing crisis management systems and mechanisms in order to minimize the risk of loss of life and resource damage. Moreover, Vinythai also joined hands with the same partners to create an Emergency Preparedness Plan for Rayong Wittayakom Nikom Utsahakam School. The complete plan will be officially presented to the school at the beginning of the year 2014.

- As a member of the Chlor-Alkali Products Transportation Emergency Mutual Aid Group, Vinythai led 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, in collaboration with Community Partnership Club, organized a mobile medical service at Wat Map Ta Phut community. Map Ta Phut hospital provided a range of medical services, including blood checking, cervical cancer screening, heart screening, general check-up and dental services to 134 registrants. In addition, dogs and cats could be vaccinated against rabies. Additional services such as hair cutting, Thai massage and plaster doll painting were provided for personal grooming and relaxation purposes.

- Vinythai together with Map Ta Phut Industrial Estate office and various companies organized a Charity Bowling competition to raise funds for Huaypong Police station. The funds were used to support Huaypong Police activities and purchase professional equipment.

- Vinythai supported a Charity Golf competition organized by Map Ta Phut municipality. The fund raising event aimed to provide scholarships to students in Map Ta Phut community.

2. Environmental Conservation

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

- Vinythai staff volunteers participated in various tree planting events organized by different organizations, for example: Tree Planting Project organized by Ministry of Industry, Rak Talae Samaesan organized by Naval Special Warfare Command and Samaesan community at Samaesan Island; the Marine and Coastal Conservation and Development hosted by First Naval Area Command; a tree planting event



under Eco Industrial Town led by the Industrial Estate Authority of Thailand in collaboration with Community Partnership Association, and; a tree planting activity with locals in Ta Guan community at Wat Ta Guan.

- Vinythai management and staff in collaboration with Map Ta Phut Industrial Estate Authority, other industrial enterprises and communities, enthusiastically participated in the 11th International Coastal Cleanup activity at Mae-Rumphueng beach. The annual event raises public awareness of coastal protection and garbage management and helps improve the local environment.

- Vinythai volunteers joined the cleanup after the oil spill at Ao Phrao beach on the resort island of Samet in Rayong province. Volunteers from state agencies, communities and companies took part in the cleanup effort organized by Map Ta Phut Industrial Estate.

- Vinythai employees voluntarily participated in various other cleanup activities aimed at improving environmental conditions. Examples included Wat Chak Luk Ya organized by Chak Luk Ya community at Wat Ta Guan and; Sangchan-Suchada beach organized by

Map Ta Phut municipality on the occasion of His Majesty the King's birthday.

- Vinythai has been implementing various strategies for environmental protection and energy saving. This year, the Company received "Green Meeting Award" and "Energy Saving Leader Award" from Department of Alternative Energy Development and Efficiency, Ministry of Energy in collaboration with Thailand Environment Institute, Thailand Business Council for Sustainable Development (TBCSD) and Industrial Estate Authority of Thailand. And the Company also received Alternative Energy Certificate from TBCSD.

3. Educational Support for Youth

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 2013, Vinythai presented scholarships to 10 students of Wat Taguan school assessed as having insufficient financial support to sustain their education. Moreover, in collaboration with Map Ta





Phut Public Relations Club (MPR), the Company staged a musical contest as a platform for student bands to show their musical competence. In addition, Children's Day was marked by the distribution of stationery to the schools.

Vinythai supported a Science Camp for Environmental Protection of Rayong Wittayakom Nikom Utsahakam School, held at the Marine Science Activity & Conservation Foundation supported by Vinythai Plc. in Samaesan District, Chon Buri. Students were instructed in coral reef life cycles, benefits of coral reefs to ecosystems, and how to cultivate coral with PVC pipes.

4. Activities Supporting Religion, Traditions and Important National Days

The Company cooperates with communities, temples, schools and public sector entities in Map Ta Phut, to organize events and activities that respect and celebrate the religions, cultures and traditions of Thailand. For example, in 2013 the Company cooperated with Taguan community 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 the annual Bun Kawlam ceremony. The Company also supported the renovation of a mosque in Islam community in Map Ta Phut. In addition, the Company's staff participate in community sports competitions 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).

5. Occupational Development and Community Well-being

- Vinythai staff regularly visit communities around Map Ta Phut to spread awareness and understanding of the Company's 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. The Company's support also extends to arranging expertise-raising in-house training courses taught by professionals. This year, Map Kha-Map Nai occupational group leveraged themselves by registering the Small and Micro Community Enterprise.

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 2013.

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 event with Princess Mathilde of Belgium at Samaesan, Chon Buri
- a coral cultivation event with the Belgian Ambassador at Samaesan, Chon Buri
- a coral cultivation event with the Mongolian Ambassador at Samaesan, Chon Buri
- a coral cultivation activity at 4th Samed Beach Festival in collaboration with the Marine and Coastal Resources Conservation Center 1 and Rayong Provincial Administrative Organization at Samed Island, Rayong
- a coral cultivation activity at Flick Fun Fest event in collaboration with Rayong Provincial

Administrative Organization at Mae-Rumphueng beach, Rayong

- Mother's Day coral conservation event at Samaesan, Chon Buri
- Father's Day coral conservation event at Samaesan, Chon Buri
- a coral cultivation, marine and coastal conservation event organized by First Naval Area Command and Samaesan community at Kham Island, Chon Buri
- a coral cultivation event at Samaesan, Chon Buri, involving 160 members of ten communities in the Map Ta Phut area
- coral cultivation activities organized for the Provincial Waterworks Authority and Industrial Estate Authority of Thailand at Talu island, Prachuap Khiri Khan, and for the National Science and Technology Development Agency at Samaesan, Chon Buri

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 this year organized three engineering

camps as part of its "PVC Telescopes to Celebrate His Majesty the King's 84th Birthday" project which took place in Nakhon Sawan, Khon Kaen and Pathum Thani 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. In all, eight camps were hosted for almost 700 youngsters from 84 schools and fifteen Science Centers for Education nationwide.

This year, Vinythai collaborated with Science Centers for Education and Office of the Non-Formal and Informal Education in Rayong Province in organizing the Non-Formal and Informal Education Roadshow 2013, an exhibition featuring 15 PVC telescopes invented under the PVC Telescope to Celebrate His Majesty the King's 84th Birthday Project. Held at Rayong Province Central Stadium, Rayong Province, the Vinythai booth welcomed over 1,000 visitors, many of whom participated in the provided activities. Around 400 youths and others joined a star observation activity that featured a lecture on the solar system by an expert from Rangsit Science Center for Education. The event provided opportunities for





both school pupils and students in both the non-formal and informal education sectors to further their interest in astronomy.

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 association 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.

Open House for Communities

In another clear demonstration of Vinythai's commitment to sustainable development, the Company's management welcomed a visit by

locals from ten communities in Map Ta Phut. The party of around 160 locals from 10 communities was explained how Vinythai applies rigorous quality, health, safety, environment and social measures to its production, followed by a guided tour of the plant. Questions raised and suggestions made were answered and noted in a spirit of helpfulness and transparency. The party then proceeded to Vinythai's Coral Cultivation project at the Samaesan community in Chon Buri where everyone had a chance to gain hands-on experience of cultivating coral. Feedback from the locals indicated a satisfaction rating of 90.38% and the event was deemed a great success.

Practice for the Prevention of Anti-corruption

Presently Anti-corruption Policy is under the process of creation by Ad-Hoc Committee of the Company and such policy will be presented for the approval of Board of Directors' Meeting. The Company expects that the Policy will be deployed through all levels in 2014.

** Please be invited to learn more about Vinythai's Corporate Social Responsibility (CSR) at Vinythai's Sustainable Development Report 2013 - 2017.*



Explanation and Analysis of Financial Status and Performance



An Analysis of Performance *

Analysis of Income

The Company and its subsidiaries recorded the total revenue of 17,513 MTHB of which 17,332 MTHB earned from sales revenues. 64% of sales revenues come from the domestic sales. The sales revenue increased by 399 MTHB or 2% comparing to the same period of year 2012. The main reason was the 58% growth of Epichlorohydrin (ECH) sales by its subsidiary, Advanced Biochemical (Thailand) Co., Ltd. (ABT) which resulted from the increment of ECH sales volume.

Sales Revenues	2013		2012	
	MTHB	%	MTHB	%
PVC Resins	8,368	48.3	8,781	51.9
Caustic Soda	2,818	16.3	3,490	20.6
VCM	2,897	16.7	2,491	14.7
Others	106	0.6	176	1.0
ECH	3,143	18.1	1,995	11.8
<i>Total Sales - Consolidation</i>	<i>17,332</i>	<i>100.0</i>	<i>16,933</i>	<i>100.0</i>

Meanwhile, the Company raised 24 MTHB of other income in 2013 or increased 15.4% comparing to last year, which was mainly from the auction sale coming from proceeding the seizure of the debtor's assets according to court's verdict. The Company had already set a provision of bad debt in full amount for this debtor.

Analysis of Cost and Expenses

1. In 2013, Cost of sales amounting to 15,939 MTHB slightly increased by 1,884 MTHB comparing to 2012 or 13% increase. This increment is mainly due to the average price of ethylene in 2013 that was higher than 2012 which causes a 52% drop of the gross profit.

2. In 2013, Selling & Administrative Expenses was 1,259 MTHB, increased by 66 MTHB or 6% from 2012. This increment was mainly due to selling expenses of its subsidiary, Advanced Biochemical (Thailand) Co., Ltd. (ABT) which increasing proportionally with ECH sales volume.

Summary of Performance

For 2013, the Company and its subsidiaries recorded net profit of 198 MTHB (833 MTHB from separate financial statements which presented in cost method), decreasing by 1,364 MTHB or 87% from net profit of 1,562 MTHB in previous year. The reasons of this decline were the slower growth of the Chinese demand in the Company's products, plus the significant higher electricity and raw material prices, especially ethylene price as a result of insufficient supply from its main supplier. These factors generated a tremendous pressure on all products' spread margins comparing to the previous year.

Additionally, the subsidiary company, Solvay Biochemical (Taixing) Limited (SBT), is planning to construct the Epichlorohydrin (ECH) plant in Taixing, Jiangsu, China. The budget for the project is 7,200 MTHB with 67% of funds coming from debt financing. However, SBT has slowed the construction project down to

respond to the current ECH oversupply situation in China and the resulting price volatility

An Analysis of Financial Status *

Analysis of Assets

As at 31 December 2013, the Company and its subsidiaries had 21,783 MTHB of the total assets, which slightly increased 250 MTHB or 1% from previous year.

Details of the major changes were following:

1. As at 31 December 2013, the Company and its subsidiaries had net cash and cash equivalents amounting to 1,513 MTHB, decreasing 24% comparing to 1,991 MTHB at the end of 2012. (see further information in analysis of cash flow.)

2. The balance of trade and other receivables at the end of 2013 was 2,660 MTHB, increasing by 437 MTHB comparing to 2,223 MTHB at the end of 2012. Most of the receivables are not yet due. For the corresponding bad debt, the Company had already set sufficient provision.

3. The Company and its subsidiaries had net inventories at the end of 2013 amounting to 905 MTHB, increasing from 774 MTHB in year 2012.

4. At the end of 2013, the Company and its subsidiaries had net property, plant and equipment amounting to 14,841 MTHB or decreasing by 583 MTHB comparing to 15,424 MTHB at the end of 2012, which is due to normal depreciation.

Analysis of Liabilities

The Company and its subsidiaries had total liabilities at the end of 2013 amounting to 5,638 MTHB which increased by 950 MTHB or 20% comparing to 2012. The major change of the liabilities was the increase of trade and other payables, plus the increment of long term loan drawdown for its subsidiaries' operation.

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

As at 31 December 2013, the status of loan agreements with commercial banks to finance the investment projects of the Company and its subsidiaries are presented as follows:

- 4,500 MTHB loan facilities to finance the project of its subsidiary, Advanced Biochemical (Thailand) Co., Ltd. (ABT). The loan is repayable in fourteen, equal, semi-annual installments commencing from 2013 with carrying a floating interest rate based on THBFIX plus a certain percentage.

- 240 MRMB loan facilities to finance the project of its subsidiary, Solvay Biochemical (Taixing) Limited (SBT). The loan is repayable in eight, equal, semi-annual installments commencing from 2016 with carrying a floating interest rate based on CNH-HIBOR plus a certain percentage.

- 180 MRMB loan facilities to finance the project of its subsidiary, Solvay Biochemical (Taixing) Limited (SBT). The loan is repayable

in nine, equal, semi-annual installments commencing from 2016 with fixed interest rate. This loan has been drawn down by 110 MRMB in 2013.

Analysis of Shareholders' Equity

As at 31 December 2013, the shareholders' equity was 16,145 MTHB which decreased by 701 MTHB or 4% comparing to 16,846 MTHB at the end of 2012. The decrement was coming from the dividend paid to its shareholders. In addition, the Company and its subsidiaries recorded net profit for 2013 amounting to 198 MTHB of which 36 MTHB was appropriated as legal reserve.

Analysis of Cash Flow

As of 31 December 2013, the Company and its subsidiaries' Cash Flow Statement presented 1,513 MTHB of cash and cash equivalents, decreasing by 478 MTHB comparing to 1,991



MTHB at the end of 2012. The sources and uses of funds were following:

1. In 2013, the net cash flow from operating activities was 1,336 MTHB which dramatically decreased by 1,639 MTHB or 55% comparing to 2012 because of decrement in the Company's profit.

2. In 2013, the net cash flow used in investing activities was 1,316 MTHB which improved by 1,248 MTHB comparing to its amount of 2,564 MTHB for 2012. The reason was the high capital expenditure in previous year according to the expansion project of the Company and new investment of its subsidiary.

3. In 2013, the net cash flow used in financing activities totaling of 586 MTHB comprising of 428 MTHB long-term loan drawdown and 1,015 MTHB dividend paid.

Net cash flow from operating activities	1,336 MTHB
Net cash flow used in investing activities	(1,316) MTHB
Net cash flows used in financing activities	(586) MTHB
Increase in translation adjustments of its subsidiary (SBT)	87 MTHB
Net increase in cash and cash equivalents	<u>(479) MTHB</u>

Financial Ratios

	2013	2012
Gross Profit margin	8.0%	17.0%
Net Profit margin	1.1%	9.1%
Debt to Equity ratio	0.35	0.28
Earning per share	0.17	1.31

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 a tremendous pressure on all products' spread margins, the Gross Profit Margin and Net Profit Margin significantly declined. However, the management had taken the actions to reduce all the controllable costs in order to maintain the profit of the Company as much as possible. As of 31 December 2013, the Company and its subsidiaries had a return on average asset at 1.4% and a return on average equity at 1.2%.

Yours faithfully,



(Mr. Bruno van Der Wielen)
Managing Director

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



Financial Report

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 and its subsidiaries' Annual Report 2013 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 and its subsidiaries for the year ending 31 December 2013 has been prepared in accordance with the generally accepted accounting principles in Thailand and that it complies with all relevant rules and regulations.



(Mr. Jacques van Rijckevorsel)
Chairman of the Board of Directors



(Mr. Bruno van der Wielen)
Managing Director

Vinythai Public Company Limited and its subsidiary

Report and Consolidated Financial Statements

31 December 2013

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 2013, 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 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the change in accounting policy made due to the adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustment resulting from such change in accounting policy. The Company has also presented consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the same accounting policy for income taxes. My opinion is not qualified in respect of this matter.



(Mr. Supachai Phanyawattano)
Certified Public Accountant (Thailand) No. 3930
Ernst & Young Office Limited
Bangkok: 21 February 2014

Vinythai Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2013

(Unit:Baht)

		Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 December	31 December	1 January	31 December	31 December	1 January
	Note	2013	2012	2012	2013	2012	2012
			(restated)			(restated)	
Assets							
Current assets							
Cash and cash equivalents	7	1,512,681,914	1,991,096,329	1,172,532,791	1,162,377,429	796,303,383	1,069,890,622
Trade and other receivables	8	2,659,645,905	2,223,025,058	2,032,226,831	2,482,133,946	2,057,909,273	2,037,956,587
Short-term loan to subsidiary	9	-	-	-	1,250,000,000	850,000,000	2,100,000,000
Current portion of long-term loans to subsidiaries	9	-	-	-	333,333,333	428,600,000	-
Inventories	10	904,676,266	773,972,856	653,896,432	747,901,394	642,607,549	642,297,559
Other current assets		270,506,000	182,139,929	268,776,949	114,201,969	95,595,867	174,210,039
Total current assets		5,347,510,085	5,170,234,172	4,127,433,003	6,089,948,071	4,871,016,072	6,024,354,807
Non-current assets							
Investments in subsidiaries	11	-	-	-	2,870,497,776	2,870,497,776	954,097,446
Investment in associated company	12	383,552,377	384,304,780	381,035,672	397,678,320	397,678,320	397,678,320
Long-term loans to subsidiaries, net of current portion	9	-	-	-	2,793,720,267	2,571,400,000	1,400,000,000
Advances of construction contract		477,746,204	113,155,833	-	-	-	-
Property, plant and equipment	13	14,841,069,740	15,424,427,505	14,851,313,374	10,232,489,267	11,001,468,205	10,862,920,460
Intangible assets	14	579,240,115	360,685,199	232,279,294	53,719,458	55,776,538	1,843,219
Deferred arrangement fee for long-term loan		8,278,569	9,658,331	10,920,982	-	-	-
Deferred tax assets	4, 20	123,578,919	48,472,155	180,827,019	123,578,919	28,709,004	180,827,019
Other non-current assets		22,437,526	22,326,334	21,516,377	10,779,141	11,733,406	12,420,671
Total non-current assets		16,435,903,450	16,363,030,137	15,677,892,718	16,482,463,148	16,937,263,249	13,809,787,135
Total assets		21,783,413,535	21,533,264,309	19,805,325,721	22,572,411,219	21,808,279,321	19,834,141,942

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 2013

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 December	31 December	1 January	31 December	31 December	1 January
Note		<u>2013</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2012</u>
			(restated)			(restated)	
Liabilities and shareholders' equity							
Current liabilities							
Trade and other payables	15	1,942,585,018	1,474,325,670	1,752,152,730	1,639,767,468	1,163,648,310	1,580,630,398
Current portion of long-term loans	16	333,333,333	428,600,000	-	333,333,333	428,600,000	-
Other current liabilities		182,127,634	143,210,125	121,133,391	171,793,246	137,111,328	114,059,720
Total current liabilities		<u>2,458,045,985</u>	<u>2,046,135,795</u>	<u>1,873,286,121</u>	<u>2,144,894,047</u>	<u>1,729,359,638</u>	<u>1,694,690,118</u>
Non-current liabilities							
Long-term loans, net of current portion	16	3,094,919,667	2,571,400,000	1,400,000,000	3,094,919,667	2,571,400,000	1,400,000,000
Provision for long-term employee benefits	17	85,465,055	70,096,278	65,978,000	85,465,055	70,096,278	65,978,000
Total non-current liabilities		<u>3,180,384,722</u>	<u>2,641,496,278</u>	<u>1,465,978,000</u>	<u>3,180,384,722</u>	<u>2,641,496,278</u>	<u>1,465,978,000</u>
Total liabilities		<u>5,638,430,707</u>	<u>4,687,632,073</u>	<u>3,339,264,121</u>	<u>5,325,278,769</u>	<u>4,370,855,916</u>	<u>3,160,668,118</u>
Shareholders' equity							
Share capital							
Registered							
1,185,193,444 ordinary shares of Baht 6 each		<u>7,111,160,664</u>	<u>7,111,160,664</u>	<u>7,111,160,664</u>	<u>7,111,160,664</u>	<u>7,111,160,664</u>	<u>7,111,160,664</u>
Issued and fully paid							
1,185,193,444 ordinary shares of Baht 6 each		7,111,160,664	7,111,160,664	7,111,160,664	7,111,160,664	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	1,303,712,790	1,303,712,790
Retained earnings							
Appropriated - statutory reserve	18	711,116,066	675,289,196	570,659,229	711,116,066	675,289,196	570,659,229
Unappropriated		6,917,044,918	7,774,443,403	7,508,830,068	8,123,678,320	8,346,270,457	7,689,287,830
Other components of shareholders' equity		101,948,390	(18,973,817)	(28,301,151)	(2,535,390)	990,298	(1,346,689)
Total shareholders' equity		<u>16,144,982,828</u>	<u>16,845,632,236</u>	<u>16,466,061,600</u>	<u>17,247,132,450</u>	<u>17,437,423,405</u>	<u>16,673,473,824</u>
Total liabilities and shareholders' equity		21,783,413,535	21,533,264,309	19,805,325,721	22,572,411,219	21,808,279,321	19,834,141,942

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 2013

(Unit:Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
			(restated)		(restated)
Profit or loss:					
Revenues					
Sales		17,332,296,825	16,933,487,946	14,847,701,338	15,268,954,586
Other income					
Interest income		41,518,483	35,558,787	199,651,033	190,023,539
Exchange gain		56,277,207	70,644,223	35,287,712	39,469,194
Others		82,683,819	50,047,242	220,906,029	220,449,438
Total other income		180,479,509	156,250,252	455,844,774	449,942,171
Total revenues	21	17,512,776,334	17,089,738,198	15,303,546,112	15,718,896,757
Expenses					
Cost of sales		15,939,418,418	14,055,264,511	13,478,672,931	12,454,230,694
Selling expenses		848,135,058	828,270,936	575,054,495	674,432,175
Administrative expenses		410,656,146	365,212,611	327,314,363	339,821,906
Loss on disposal of equipment		17,905,022	27,923,146	17,905,022	27,923,146
Total expenses		17,216,114,644	15,276,671,204	14,398,946,811	13,496,407,921
Profit before shares of profit (loss)					
from investment in associated company, finance cost and tax income (expenses)		296,661,690	1,813,066,994	904,599,301	2,222,488,836
Shares of profit (loss) from investment in associated company		(752,404)	3,269,108	-	-
Profit before financial cost and income tax (expenses)		295,909,286	1,816,336,102	904,599,301	2,222,488,836
Finance cost		(163,367,184)	(124,627,357)	(162,595,647)	(128,442,675)
Profit before income tax (expenses)		132,542,102	1,691,708,745	742,003,654	2,094,046,161
Income tax (expenses)	20	65,629,655	(129,920,162)	90,974,451	(149,710,648)
Profit for the year	23	198,171,757	1,561,788,583	832,978,105	1,944,335,513
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		127,260,745	(6,721,933)	-	-
Change in the value of derivative instruments, net of income tax		(6,338,538)	5,045,073	(3,525,688)	2,336,987
Actuarial gains (losses), net of income tax		(5,217,784)	2,470,525	(5,217,784)	2,470,525
Other comprehensive income for the year		115,704,423	793,665	(8,743,472)	4,807,512
Total comprehensive income for the year		313,876,180	1,562,582,248	824,234,633	1,949,143,025

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 2013

(Unit:Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
			(restated)		(restated)
Profit attributable to:					
Equity holders of the Company		198,171,757	1,552,966,221	<u>832,978,105</u>	<u>1,944,335,513</u>
Shareholders of subsidiary before combination of business under common control	11	-	8,822,362		
		<u>198,171,757</u>	<u>1,561,788,583</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		313,876,180	1,553,759,886	<u>824,234,633</u>	<u>1,949,143,025</u>
Shareholders of subsidiary before combination of business under common control	11	-	8,822,362		
		<u>313,876,180</u>	<u>1,562,582,248</u>		
Basic earnings per share					
Profit attributable to equity holders of the Company	22	0.17	1.31	0.70	1.64

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 2013

	Consolidated financial statements								(Unit:Baht)
	Other components of equity								
	Other comprehensive income								
	Issued and fully paid-up share capital	Share premium	Retained earnings		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	
Appropriated			Unappropriated						
Balance as at 31 December 2011 - as previously reported	7,111,160,664	1,303,712,790	570,659,229	7,329,525,129	-	(4,702,509)	(25,120,722)	16,285,234,581	
Cumulative effect of the change in accounting policy for income tax (Note 4)	-	-	-	179,304,939	-	1,522,080	-	180,827,019	
Balance as at 31 December 2011 - as restated	7,111,160,664	1,303,712,790	570,659,229	7,508,830,068	-	(3,180,429)	(25,120,722)	16,466,061,600	
Dividend paid (Note 25)	-	-	-	(1,185,193,444)	-	-	-	(1,185,193,444)	
Differences on business combination under common control	-	-	-	-	-	-	2,181,832	2,181,832	
Profit for the year - restated	-	-	-	1,552,966,221	-	-	8,822,362	1,561,788,583	
Other comprehensive income for the year - restated	-	-	-	2,470,525	(6,721,933)	5,045,073	-	793,665	
Transfer unappropriated retained earnings to statutory reserve (Note 18)	-	-	104,629,967	(104,629,967)	-	-	-	-	
Balance as at 31 December 2012 - as restated	7,111,160,664	1,303,712,790	675,289,196	7,774,443,403	(6,721,933)	1,864,644	(14,116,528)	16,845,632,236	
Balance as at 31 December 2012 - as previously reported	7,111,160,664	1,303,712,790	675,289,196	7,725,676,257	(6,694,598)	2,132,300	(14,116,528)	16,797,160,081	
Cumulative effect of the change in accounting policy for income tax (Note 4)	-	-	-	48,767,146	(27,335)	(267,656)	-	48,472,155	
Balance as at 31 December 2012 - as restated	7,111,160,664	1,303,712,790	675,289,196	7,774,443,403	(6,721,933)	1,864,644	(14,116,528)	16,845,632,236	
Dividend paid (Note 25)	-	-	-	(1,014,525,588)	-	-	-	(1,014,525,588)	
Profit for the year	-	-	-	198,171,757	-	-	-	198,171,757	
Other comprehensive income for the year	-	-	-	(5,217,784)	127,260,745	(6,338,538)	-	115,704,423	
Transfer unappropriated retained earnings to statutory reserve (Note 18)	-	-	35,826,870	(35,826,870)	-	-	-	-	
Balance as at 31 December 2013	7,111,160,664	1,303,712,790	711,116,066	6,917,044,918	120,538,812	(4,473,894)	(14,116,528)	16,144,982,828	

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 2013

	Separate financial statements					(Unit:Baht)
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity	
			Appropriated	Unappropriated		
Other components of equity	Other comprehensive income					
Balance as at 31 December 2011 - as previously reported	7,111,160,664	1,303,712,790	570,659,229	7,509,982,891	(2,868,769)	16,492,646,805
Cumulative effect of the change in accounting policy for income tax (Note 4)	-	-	-	179,304,939	1,522,080	180,827,019
Balance as at 31 December 2011 - as restated	7,111,160,664	1,303,712,790	570,659,229	7,689,287,830	(1,346,689)	16,673,473,824
Dividend paid (Note 25)	-	-	-	(1,185,193,444)	-	(1,185,193,444)
Profit for the year - restated	-	-	-	1,944,335,513	-	1,944,335,513
Other comprehensive income for the year - restated	-	-	-	2,470,525	2,336,987	4,807,512
Transfer unappropriated retained earnings to statutory reserve (Note 18)	-	-	104,629,967	(104,629,967)	-	-
Balance as at 31 December 2012 - as restated	7,111,160,664	1,303,712,790	675,289,196	8,346,270,457	990,298	17,437,423,405
Balance as at 31 December 2012 - as previously reported	7,111,160,664	1,303,712,790	675,289,196	8,317,293,797	1,257,954	17,408,714,401
Cumulative effect of the change in accounting policy for income tax (Note 4)	-	-	-	28,976,660	(267,656)	28,709,004
Balance as at 31 December 2012 - as restated	7,111,160,664	1,303,712,790	675,289,196	8,346,270,457	990,298	17,437,423,405
Dividend paid (Note 25)	-	-	-	(1,014,525,588)	-	(1,014,525,588)
Profit for the year	-	-	-	832,978,105	-	832,978,105
Other comprehensive income for the year	-	-	-	(5,217,784)	(3,525,688)	(8,743,472)
Transfer unappropriated retained earnings to statutory reserve (Note 18)	-	-	35,826,870	(35,826,870)	-	-
Balance as at 31 December 2013	7,111,160,664	1,303,712,790	711,116,066	8,123,678,320	(2,535,390)	17,247,132,450

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 2013

(Unit:Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from (used in) operating activities				
Profit before tax	132,542,102	1,691,708,745	742,003,654	2,094,046,161
Adjustments to reconcile profit to net cash provided by (paid from) operating activities:				
Depreciation and amortization	1,398,193,244	1,257,092,411	1,077,030,534	962,189,350
Adjustment of inventory to net realizable value	(7,887,084)	14,284,880	(3,654,173)	3,904,655
Unrealized loss on exchange	3,588,582	6,071,000	-	1,472,667
Amortization of arrangement fee for long-term loan	1,379,763	1,262,651	-	-
Share of loss (profit) from investment in associated company	752,403	(3,269,108)	-	-
Loss on disposal of equipment	17,905,021	27,923,146	17,905,022	27,923,146
Provision for long-term employee benefits	9,347,847	8,186,751	9,347,847	8,186,751
Interest income	(41,518,483)	(13,826,877)	(199,651,033)	(168,332,236)
Interest expenses	153,739,007	101,653,903	153,739,007	106,920,927
Profit from operating activities before changes in operating assets and liabilities	1,668,042,402	3,091,087,502	1,796,720,858	3,036,311,421
Operating assets decrease (increase)				
Trade and other receivables	(446,052,953)	(196,236,447)	(430,943,566)	(24,228,937)
Inventories	(122,816,326)	(134,361,304)	(101,639,672)	(4,214,645)
Other current assets	(82,012,613)	93,536,331	(10,665,493)	86,332,665
Decrease (increase) in other non-current assets	(111,192)	336,752	954,265	687,265
Operating liabilities increase (decrease)				
Trade and other payables	441,103,021	199,308,607	463,840,540	(170,554,348)
Other current liabilities	33,698,776	29,494,143	34,681,918	28,661,591
Provision for long-term employee benefits	(501,300)	(980,317)	(501,300)	(980,317)
Cash flows from operating activities	1,491,349,815	3,082,185,267	1,752,447,550	2,952,014,695
Cash paid for interest expenses	(148,925,099)	(100,646,149)	(148,925,099)	(105,913,173)
Cash paid for income tax	(6,326,333)	(6,741,998)	(6,295,730)	(6,380,214)
Net cash flows from operating activities	1,336,098,383	2,974,797,120	1,597,226,721	2,839,721,308

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 2013

(Unit:Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flow from (used in) investing activities				
Cash paid for investments in subsidiaries	-	-	-	(1,916,400,330)
Net cash from business combination under common control (Note 11)	-	2,181,832	-	-
Decrease (increase) in short-term loan to subsidiary	-	-	(400,000,000)	1,250,000,000
Increase in long-term loans to subsidiaries	-	-	(127,053,600)	(1,600,000,000)
Cash received from interest income	41,971,780	13,826,877	198,608,339	167,324,482
Acquisition of equipment and intangible asset	(993,357,241)	(2,538,332,179)	(317,627,989)	(1,429,642,708)
Cash paid for interest capitalized as part of construction in progress	(1,184,816)	(5,266,525)	-	-
Proceeds from sales of equipment	1,193,163	76,400,357	1,193,163	603,453
Cash paid for advances of construction contract	(364,590,371)	(113,155,833)	-	-
Net cash flows used in investing activities	(1,315,967,485)	(2,564,345,471)	(644,880,087)	(3,528,115,103)
Cash flows from (used in) financing activities				
Cash received from long-term loans	428,253,000	1,600,000,000	428,253,000	1,600,000,000
Dividend paid	(1,014,525,588)	(1,185,193,444)	(1,014,525,588)	(1,185,193,444)
Net cash flows from (used in) financing activities	(586,272,588)	414,806,556	(586,272,588)	414,806,556
Increase (decrease) in translation adjustments	87,727,275	(6,694,667)	-	-
Net increase (decrease) in cash and cash equivalents	(478,414,415)	818,563,538	366,074,046	(273,587,239)
Cash and cash equivalents at beginning of year	1,991,096,329	1,172,532,791	796,303,383	1,069,890,622
Cash and cash equivalents at end of year	1,512,681,914	1,991,096,329	1,162,377,429	796,303,383

Supplementary cash flow information:

Non-cash transaction:

Purchase of equipment and construction in progress for which no cash has been paid

18,775,964	-	7,464,711	-
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The accompanying notes are an integral part of the financial statements.

Vinythai Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2013

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, Tambol Map Ta Phut, Amphoe Mueang, Rayong.

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

According to the approval by the Board of Directors Meeting 4/2013, the Company has delayed the construction project of Epichlorohydrin plant, located in Taixing Economic Development Zone, Jiangsu province, People's Republic of China, of Solvay Biochemicals (Taixing) Limited (the subsidiary company) for some certain period, due to the volatility of pricing and supply. The Company expects to resume the construction within the year 2014.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting 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	
			2013	2012
			Percent	Percent
<u>Held by the Company</u>				
Advanced Biochemical (Thailand) Company Limited	Manufacturing and trading of chemical product	Thailand	100	100
Vinythai Holding Pte. Limited	Holding company	Singapore	100	100
<u>Held by the subsidiary</u>				
Solvay Biochemicals (Taixing) Limited (Held by Vinythai Holding Pte. Limited)	Manufacturing and trading of chemical product	China	100	100

b) 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.

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

d) 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.

e) 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

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting year

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:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognize the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognized the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

(b) Accounting standards that will become effective in the future

		Effective date
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014

		Effective date
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Website Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5 (revised 2012)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The management of the Company and its subsidiaries has assessed the effect of the above accounting standard, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the changes described in Note 3 to the financial statements to their significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarized below.

(Unit: Thousand Baht)

	As at 31 December 2013		As at 31 December 2012		As at 1 January 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of financial position						
Increase in deferred tax assets	123,579	123,579	48,472	28,709	180,827	180,827
Increase in unappropriated retained earnings	121,256	121,256	48,740	28,977	179,305	179,305
Increase (decrease) in other component of shareholders' equity	2,323	2,323	(268)	(268)	1,522	1,522

(Unit: Thousand Baht)

	For the year ended 31 December 2013		For the year ended 31 December 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of comprehensive income				
Profit or loss:				
Increase (decrease) in income tax expenses	(65,630)	(90,974)	129,920	149,711
Increase (decrease) in profit attributable to equity holders of the Company	65,630	90,974	(129,920)	(149,711)
Increase (decrease) in basic earnings per share (Baht)	0.055	0.077	(0.110)	(0.126)
Other comprehensive income:				
Increase (decrease) in actuarial gains (losses)	1,304	1,304	(618)	(618)
Increase (decrease) in change from revaluation of derivatives	2,591	2,591	(1,790)	(1,790)

5. Significant accounting policies

5.1 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.

5.2 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.

5.3 Trade and other receivables

Trade and other receivables 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.

5.4 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.

5.5 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".

5.6 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 30 years
Motor vehicles	-	5 to 10 years

Depreciation is charged to profit or loss.

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

5.7 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 asset. 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.

5.8 Intangible assets

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

Intangible assets with finite lives are amortized on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset 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:

	Useful lives
Licenses	15 to 20 years
Computer software	5 to 10 years
Land use right	In accordance with land use right agreement (50 years)

5.9 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 operations of the Company and its subsidiaries.

5.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements of each entity are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in profit or loss.

5.11 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 profit or loss.

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

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide other long-term employee benefit plan, namely long service awards.

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

5.13 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.

5.14 Income tax

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

Current tax

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

Deferred tax

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

The Company and its subsidiaries recognize deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.15 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.

6. 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.

Impairment of investments in subsidiaries

The Company treats investments in subsidiaries as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

Property plant and equipment/Depreciation

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

Deferred tax assets

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

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.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash on hand	321,753	3,486	321,733	3,466
Cash at banks - current accounts and saving accounts	1,190,929	1,987,610	840,644	792,837
Total	1,512,682	1,991,096	1,162,377	796,303

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade receivables - related parties</u> (Note 9)				
Aged on the basis of due dates				
Not yet due	108,764	110,392	65,660	39,747
Past due				
Up to 3 months	5,728	7,287	5,176	7,287
Total trade receivables - related parties	114,492	117,679	70,836	47,034

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	2,098,608	1,890,077	1,935,639	1,775,728
Past due				
Up to 3 months	436,413	190,258	436,413	190,258
Over 12 months	434,356	484,588	434,356	484,588
Total	2,969,377	2,564,923	2,806,408	2,450,574
Less: Allowance for doubtful debts	(444,401)	(494,588)	(444,401)	(494,588)
Total trade receivables - unrelated parties, net	2,524,976	2,070,335	2,362,007	1,955,986
Total trade receivables - net	2,639,468	2,188,014	2,432,843	2,003,020
<u>Other receivables</u>				
Other receivables - related parties (Note 9)	20,178	35,011	49,291	54,889
Other receivables	20,178	35,011	49,291	54,889
Trade and other receivables - net	2,659,646	2,223,025	2,482,134	2,057,909

9. 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

Name of entities	Country of incorporation	Nature of relationship
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 were 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
	2013	2012	2013	2012	
<u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements)					
Sales of goods	-	-	658	330	With reference to market price
Service income	-	-	138	171	Normal market rate
Sales of spare parts	-	-	5	-	With reference to market price
Interest income	-	-	165	162	2.4 to 5.6 percent per annum
Purchase of raw materials	-	-	130	55	Market price
Purchase of fixed assets	-	-	-	76	Net book value
Other expense	-	-	-	7	Normal market rate
<u>Transaction with associated company</u>					
Purchase of raw materials	448	425	448	425	Contract price of salt which approximate production cost

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2013	2012	2013	2012	
<u>Transactions with related companies</u>					
Sales of goods	1,765	1,001	141	153	With reference to market price
Other income	4	2	4	2	Normal market rate
Purchase of raw materials	6,969	6,494	6,968	6,494	Average Ethylene market prices in major regions worldwide and market price
Purchase of spare parts, services expenses and others	293	232	87	82	Market price
License expenses and technical assistance services	218 ¹	171 ¹	29	33	Contract rate
Commission expenses	18	10	3	4	Contract rate
Insurance premium and management commission expenses	8	9	8	9	Contract rate

¹ Including fees of Baht 189 million (2012: Baht 138 million), relating to construction of a new plant as mentioned in Note 26.1.2, which is included in property, plant and equipment and intangible assets.

As at 31 December 2013 and 2012, the balances of the accounts between the Company and those related companies were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade and other receivables - related parties</u> (Note 8)				
Subsidiaries	-	-	84,273	55,662
Related companies (under common shareholder)	134,670	152,690	35,854	46,261
Total trade and other receivables - related parties	134,670	152,690	120,127	101,923
<u>Trade and other payables - related parties</u> (Note 15)				
Subsidiaries	-	-	17,185	3,862
Associated company	40,934	35,904	40,934	35,904
Related companies (under common shareholder)	1,073,429	774,608	996,776	617,499
Total and other payables - related parties	1,114,363	810,512	1,054,895	657,265

Short-term loan to subsidiary

As at 31 December 2013, the outstanding balance represented loan to subsidiary, carrying interest at money market rate quoted by the commercial banks, and repayable at call.

Long-term loans to subsidiaries

On 22 July 2010, the Company has entered into a Baht 4,500 million loan agreement with its subsidiary to finance the investment project of Advanced Biochemical (Thailand) Company Limited. 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.

On 17 June 2013, the Company has entered into a RMB 180 million loan agreement with its subsidiary to finance the investment project of Solvay Biochemicals (Taixing) Limited. The loan is repayable in nine, equal, semi-annual installments commencing from 2016. The loan carries fixed interest rate at 5.6 percent per annum. Up to 31 December 2013, the subsidiary has drawn down a total of RMB 50 million from this facility.

During the year ended 31 December 2013, movements of loans to subsidiaries were as follows:

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 1 January 2013	During the year		Balance as at 31 December 2013
		Increase	Decrease	
<u>Short-term loan to subsidiary</u>				
Advanced Biochemical (Thailand) Company Limited	850	1,421	(1,021)	1,250
<u>Long-term loans to subsidiaries</u>				
Advanced Biochemical (Thailand) Company Limited	3,000	1,500	(1,643)	2,857
Solvay Biochemicals (Taixing) Limited	-	270	-	270

Directors and management's benefits

During the year ended 31 December 2013 and 2012, 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	
	2013	2012	2013	2012
Short-term employee benefits	95	92	85	79
Post-employment benefits	2	1	2	1
Total	97	93	87	80

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realizable value		Inventories - net	
	2013	2012	2013	2012	2013	2012
Finished goods	434,513	188,169	(6,147)	(12,034)	428,366	176,135
Raw materials	271,911	400,066	-	-	271,911	400,066
Packing materials	2,336	2,432	-	-	2,336	2,432
Spare parts and factory supplies	213,063	208,340	(11,000)	(13,000)	202,063	195,340
Total	921,823	799,007	(17,147)	(25,034)	904,676	773,973

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realizable value		Inventories - net	
	2013	2012	2013	2012	2013	2012
Finished goods	350,599	144,915	-	(1,654)	350,599	143,261
Raw materials	198,633	303,745	-	-	198,633	303,745
Packing materials	2,336	2,432	-	-	2,336	2,432
Spare parts and factory supplies	207,333	206,170	(11,000)	(13,000)	196,333	193,170
Total	758,901	657,262	(11,000)	(14,654)	747,901	642,608

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements were as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Currency	Cost	
	2013	2012		2013	2012
Advanced Biochemical (Thailand) Company Limited	1,500	1,500	Million Baht	1,454,098	1,454,098
Vinythai Holding Pte. Limited	287	287	Million RMB	1,416,400	1,416,400
Total				2,870,498	2,870,498

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

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 2013 and 2012 were as follows:

(Unit: Thousand Baht)

Consolidated financial statement					
The subsidiaries	Acquisition date	Acquisition cost	Attributable net book value	Differences on business combination under common control	
		As at acquisition date		2013	2012
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)	(11,004)
Total				14,117	14,117

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). The acquisition was considered to be a business combination of entities under common control. 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 and cash flows for the year then ended included the operating results of Solvay Biochemicals (Taixing) Limited were included in from 19 April 2012 (the incorporation date) to ended 31 December 2012.

12. Investment in associate

As at 31 December 2013 and 2012, details of the Company's 28.49% holding in Pimai Salt Company Limited, an associated company which was incorporated in Thailand and was principally engaged in the manufacture and distribution of industrial salt, were as follows:

(Unit: Thousand Baht)

	As at 31 December	
	2013	2012
Investment in associated company - at cost	397,678	397,678
Accumulated share of loss in associated company	(14,126)	(13,373)
Investment in associated company - equity method	383,552	384,305

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

Financial information of the associated company for the year ended 31 December 2013 and 2012 were summarized below.

(Unit: Million Baht)

	2013	2012
Paid-up capital	194	194
Total assets	2,268	2,336
Total liabilities	932	1,146
Total revenues	1,549	1,439
Net income (loss)	(3)	11

13. 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 January 2012	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 December 2012	2,909	2,693,151	21,505,312	289,464	6,677	665,528	25,163,041
Additions	-	-	-	1,123	-	771,900	773,023
Disposals	-	(2,499)	(42,331)	(606)	-	-	(45,436)
Transfers in (out)	-	58,280	449,487	13,173	-	(520,940)	-
Exchange differences on translation of financial statements in foreign currency	-	-	-	2	-	36,978	36,980
31 December 2013	2,909	2,748,932	21,912,468	303,156	6,677	953,466	25,927,608
Accumulated depreciation:							
1 January 2012	-	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 December 2012	-	698,119	8,788,894	244,923	6,677	-	9,738,613
Depreciation for the year	-	78,596	1,284,113	11,511	-	-	1,374,220
Depreciation on disposals	-	(1,054)	(24,686)	(598)	-	-	(26,338)
Exchange differences on translation of financial statements in foreign currency	-	-	-	43	-	-	43
31 December 2013	-	775,661	10,048,321	255,879	6,677	-	11,086,538
Net book value:							
31 December 2012	2,909	1,995,032	12,716,418	44,541	-	665,528	15,424,428
31 December 2013	2,909	1,973,271	11,864,147	47,277	-	953,466	14,841,070
Depreciation for the year:							
2012 (Baht 1,218 million included in manufacturing cost, and the balance in selling and administrative expenses)							1,236,806
2013 (Baht 1,358 million included in manufacturing cost, and the balance in selling and administrative expenses)							1,374,220

In 2013, the subsidiary had borrowing costs totaling approximately Baht 1 million which were capitalized (2012: Baht 12 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalization was based on the relevant contracts.

(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 January 2012	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 December 2012	2,909	2,155,407	17,704,376	287,163	6,677	311,005	20,467,537
Additions	-	-	-	-	-	323,730	323,730
Disposals	-	(2,499)	(42,331)	(606)	-	-	(45,436)
Transfers in (out)	-	48,943	401,126	13,173	-	(463,242)	-
31 December 2013	2,909	2,201,851	18,063,171	299,730	6,677	171,493	20,745,831
Accumulated depreciation:							
1 January 2012	-	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 December 2012	-	679,013	8,536,443	243,936	6,677	-	9,466,069
Depreciation for the year	-	57,463	1,005,569	10,579	-	-	1,073,611
Depreciation on disposals	-	(1,054)	(24,686)	(598)	-	-	(26,338)
31 December 2013	-	735,422	9,517,326	253,917	6,677	-	10,513,342
Net book value:							
31 December 2012	2,909	1,476,394	9,167,933	43,227	-	311,005	11,001,468
31 December 2013	2,909	1,466,429	8,545,845	45,813	-	171,493	10,232,489
Depreciation for the year:							
2012 (Baht 942 million included in manufacturing cost, and the balance in selling and administrative expenses)							960,241
2013 (Baht 1,054 million included in manufacturing cost, and the balance in selling and administrative expenses)							1,073,611

14. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Licences	Computer software	Land use right	Assets under installation and under construction	Total
Cost:					
1 January 2012	-	60,118	-	230,283	290,401
Additions	-	12	22,719	125,963	148,694
Transfers in (out)	356,246	-	-	(356,246)	-
31 December 2012	356,246	60,130	22,719	-	439,095
Additions	229,871	-	9,061	1,363	240,295
Transfers in (out)	-	1,363	-	(1,363)	-
Exchange differences on translation of financial statements in foreign currency	-	-	2,275	-	2,275
31 December 2013	586,117	61,493	34,055	-	681,665
Accumulated amortization:					
1 January 2012	-	58,122	-	-	58,122
Amortization for the year	19,739	549	-	-	20,288
31 December 2012	19,739	58,671	-	-	78,410
Amortization for the year	22,817	643	514	-	23,974
Exchange differences on translation of financial statements in foreign currency	-	-	41	-	41
31 December 2013	42,556	59,314	555	-	102,425
Net book value:					
31 December 2012	336,507	1,459	22,719	-	360,685
31 December 2013	543,561	2,179	33,500	-	579,240
Amortization for the year					
2012 (Baht 19 million included in manufacturing cost, and the balance in selling and administrative expenses)					20,288
2013 (Baht 23 million included in manufacturing cost, and the balance in selling and administrative expenses)					23,974

(Unit: Thousand Baht)

	Separate financial statements			
	Licences	Computer software	Assets under installation and under construction	Total
Cost:				
1 January 2012	-	60,119	-	60,119
Additions	-	-	55,729	55,729
Transfers in (out)	55,729	-	(55,729)	-
31 December 2012	55,729	60,119	-	115,848
Additions	-	-	1,362	1,362
Transfers in (out)	-	1,362	(1,362)	-
31 December 2013	55,729	61,481	-	117,210
Accumulated amortization:				
1 January 2012	-	58,122	-	58,122
Amortization for the year	1,401	548	-	1,949
31 December 2012	1,401	58,670	-	60,071
Amortization for the year	2,779	641	-	3,420
31 December 2013	4,180	59,311	-	63,491
Net book value:				
31 December 2012	54,328	1,448	-	55,776
31 December 2013	51,549	2,170	-	53,719
Amortization for the year:				
2012 (Baht 1 million included in manufacturing cost, and the balance in selling and administrative expenses)				1,949
2013 (Baht 2 million included in manufacturing cost, and the balance in selling and administrative expenses)				3,420

15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade payables - related parties (Note 9)	1,033,671	786,712	1,048,231	640,901
Trade payables - unrelated parties	526,861	471,650	398,940	396,866
Other payables - related parties (Note 9)	80,692	23,800	6,664	16,364
Other payables - unrelated parties	74,958	84,376	27,155	19,690
Accrued expenses	226,403	107,788	158,777	89,827
Total trade and other payables	1,942,585	1,474,326	1,639,767	1,163,648

16. Long-term loans

The Company has entered into loan agreements with commercial banks to finance the investment projects of the Company and its subsidiaries. Long-term loans as at 31 December 2013 and 2012 were presented as below.

(Unit: Thousand Baht)

Date of loan agreement	Interest rate (%)	Repayment schedule	Currency	Loan facility	Drawn down amount		Balance as at 31 December	
					2013	2012	2013	2012
11 February 2010	Floating rate based on THBFX plus a certain percentage	Fourteen, semi-annual installments as from 2013	Million Baht	4,500	4,500	3,000	2,857,100	3,000,000
27 March 2013	Floating rate based on CNH-HIBOR plus a certain percentage	Eight, semi-annual installments as from 2016	Million RMB	240	-	-	-	-
17 June 2013	4.7 percent per annum	Nine, semi-annual installments as from 2016	Million RMB	180	110	-	571,153	-
Total							3,428,253	3,000,000
Less: Current portion							(333,333)	(428,600)
Long-term loans, net of current portion							3,094,920	2,571,400

The long-term loans contain various covenants and conditions with which the Company has to comply.

17. 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	
	2013	2012	2013	2012	2013	2012
Defined benefit obligation at beginning of year	65,493	61,065	4,603	4,913	70,096	65,978
Current service cost	5,383	4,989	718	417	6,101	5,406
Interest cost	3,060	2,527	187	253	3,247	2,780
Benefits paid during the year	-	-	(501)	(980)	(501)	(980)
Actuarial (gain) loss	6,522	(3,088)	-	-	6,522	(3,088)
Provisions for long-term employee benefits at end of year	80,458	65,493	5,007	4,603	85,465	70,096

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

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2013	2012
Current service cost	6,101	5,406
Interest cost	3,247	2,780
Total expense recognized in profit or loss	9,348	8,186
Line items under which such expenses were included in profit or loss		
Cost of sales	3,786	3,615
Selling and administrative expenses	5,562	4,571

The cumulative amount of actuarial losses recognized in other comprehensive income and taken as part of retained earnings of the Company and its subsidiaries as at 31 December 2013 amounted to Baht 7 million (2012: actuarial gain of Baht 3 million).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated/Separate financial statements	
	2013	2012
	(% per annum)	
Discount rate	4.3	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

18. Statutory reserve

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

19. Expenses by nature

Significant expenses by nature were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Salaries and wages and other employee benefits	614,141	567,816	571,190	549,614
Depreciation and amortization	1,398,194	1,257,092	1,077,031	962,189
Rental expenses	39,916	40,636	30,608	38,353
Raw materials and consumables used	10,804,580	9,373,636	8,253,347	7,757,116
Electricity and fuel cost	3,774,530	3,502,245	3,521,433	3,209,937
Changes in inventories of finished goods and work in progress	(246,344)	(36,151)	(205,684)	(2,332)

20. Corporate income tax

Income tax (expenses) for the years ended 31 December 2013 and 2012 were made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(restated)		(restated)
Current income tax:				
Current income tax charge	(5,219)	(9)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	70,849	(129,911)	90,974	(149,711)
Income tax (expense) reported in the statement of comprehensive income	65,630	(129,920)	90,974	(149,711)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(restated)		(restated)
Deferred tax relating to actuarial gains (losses)	1,304	(618)	1,304	(618)
Deferred tax relating to gain (loss) on change in the value of derivative instruments	2,591	(1,790)	2,591	(1,790)
Total	3,895	(2,408)	3,895	(2,408)

Reconciliation between income tax (expenses) and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(restated)		(restated)
Accounting profit before tax	132,542	1,691,709	742,004	2,094,046
Income tax at Thai corporate income tax rate of 20% (2012: 23%)				
Accounting profit before tax multiplied by applicable tax rate	(26,508)	(389,093)	(148,401)	(481,630)
Utilization of previously unrecognized tax losses	20,181	-	20,054	-
Tax losses for the year	96,000	-	96,000	-
Reversal of temporary differences on deferred tax for the year	(20,126)	-	-	-
Difference in tax rate of subsidiaries in overseas countries	4,371	(1,988)	-	-
Effects of:				
Promotional privileges (Note 21)	14,307	229,611	118,263	300,434
Non-deductible expenses	(27,901)	(14,543)	(248)	(14,608)
Additional expense deductions allowed	5,306	46,093	5,306	46,093
Total	(8,288)	261,161	123,321	331,919
Income tax (expenses) reported in the statement of comprehensive income	65,630	(129,920)	90,974	(149,711)

The tax rates enacted at the end of the reporting period of the Company and its subsidiaries are 20% to 25% (2012: 23% to 25%).

The components of deferred tax assets and deferred tax liabilities were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements/ statements of financial position		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
		(restated)	
Deferred tax assets			
Reduce cost of inventories to net realizable value	2,200	2,931	2,217
Allowance for asset impairment	5,963	5,963	6,428
Provision for long-term employee benefits	17,093	14,019	13,196
Unrealized loss from revaluation of derivatives	2,323	-	1,522
Unused tax loss	96,000	25,827	157,464
Total	123,579	48,740	180,827
Deferred tax liabilities			
Unrealized gain from revaluation of derivatives	-	(268)	-
Total	-	(268)	-
Deferred tax assets - net	123,579	48,472	180,827

(Unit: Thousand Baht)

	Consolidated financial statements/ statements of financial position		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
		(restated)	
Deferred tax assets			
Reduce cost of inventories to net realizable value	2,200	2,931	2,217
Allowance for asset impairment	5,963	5,963	6,428
Provision for long-term employee benefits	17,093	14,019	13,196
Unrealized loss from revaluation of derivatives	2,323	-	1,522
Unused tax loss	96,000	6,064	157,464
Total	123,579	28,977	180,827
Deferred tax liabilities			
Unrealized gain from revaluation of derivatives	-	(268)	-
Total	-	(268)	-
Deferred tax assets - net	27,579	28,709	180,827

The Company and its subsidiaries in Thailand calculated deferred tax assets and liabilities based on a reduction in the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent in 2013 and 2014, in compliance with Royal Decree dated December 2011 governing corporate income tax reduction.

As at 31 December 2013, the subsidiaries had unused tax losses totaling Baht 1,154 million (2012: Baht 541 million), on which deferred tax assets have not been recognized as the subsidiaries believed future taxable profits might not be sufficient to allow utilization of unused tax losses.

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

21. Promotional privileges

The Company and a subsidiary in Thailand have been granted promotional privileges by the Board of Investment subject to certain significant conditions. Significant privileges of the Company and a subsidiary in Thailand are as follows:

Details of investment promotional privileges							
The Company							A subsidiary in Thailand
1. Certificate No.	1051/2532	1579/2541	1166(2)/2548	1164(2)/2550	9010(2)/2553	2012(2)/2553	1694(2)/2551
2. Promotional privileges for	Manufacture of PVC and VCM	Manufacture of additional volumes of PVC and VCM, and Caustic Soda	Manufacture of additional volume 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	manufacture of certain volume of Epichlorohydrin
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	8 years
3.2 50% reduction of corporate income tax on net income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.	Granted	Granted	Granted	Granted	Not granted	Granted	Granted

Details of investment promotional privileges							
The Company							A subsidiary in Thailand
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	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	7 Feb 2012

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

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Sales	8,531,223	6,870,645	6,316,479	8,398,310	14,847,701	15,268,955
Other income						
Interest income	-	10,378	199,651	179,646	199,651	190,024
Exchange gain	20,290	17,760	14,997	21,709	35,288	39,469
Others	5,714	1,350	215,192	219,099	220,906	220,449
Total revenues	8,557,227	6,900,133	6,746,319	8,818,764	15,303,546	15,718,897

The subsidiary company's operating revenues, divided between promoted and non-promoted operations, were as follows:

(Unit: Thousand Baht)

	Financial statements of a subsidiary in Thailand					
	Promoted operations		Non-promoted operations		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Sales	3,233,171	2,049,330	-	-	3,233,171	2,049,330
Other income						
Interest income	2,893	3,243	136	163	3,029	3,406
Exchange gain	20,990	5,570	-	-	20,990	5,570
Others	-	-	565	7,509	565	7,509
Total revenues	3,257,054	2,058,143	701	7,672	3,257,755	2,065,815

22. 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.

23. Financial information by segment

The following table presented revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2013 and 2012.

(Unit: Million Baht)

	For the years ended 31 December									
	Vinyl segment ¹⁾		Biochemical segment ²⁾		Total Segments		Adjustments and eliminations		Consolidated financial statements	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue										
External customers	14,189	14,939	3,143	1,994	17,332	16,933	-	-	17,332	16,933
Inter-segment	658	330	90	55	748	385	(748)	(385)	-	-
Total revenue	14,847	15,269	3,233	2,049	18,080	17,318	(748)	(385)	17,332	16,933

(Unit: Million Baht)

	For the years ended 31 December									
	Vinyl segment ¹⁾		Biochemical segment ²⁾		Total Segments		Adjustments and eliminations		Consolidated financial statements	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Results										
Segment profit	905	2,222	(441)	(251)	464	1,971	(167)	(158)	297	1,813
Shares of profit (loss) from investment in associated company									(1)	3
Finance cost									(164)	(124)
Profit before income tax (expenses)									132	1,692
Income tax (expenses)									66	(130)
Profit for the year									198	1,562
Loss attribute to shareholders of subsidiary before combination of business under common control									-	(9)
Profit attribute to equity holders of the Company									198	1,553

¹⁾ The vinyl segment, which manufactures and sales of PVC, VCM, Caustic Soda and related by-products.²⁾ The biochemical segment, which manufactures and sales of Epichlorohydrin and related by-products.

The following table presented segment assets of the Company and its subsidiaries' operating segments as at 31 December 2013 and 2012.

(Unit: Million Baht)

Segment assets	Vinyl segment	Biochemical segment	Consolidated financial statements
At 31 December 2013	15,227	6,556	21,783
At 31 December 2012	15,019	6,514	21,533

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

24. Provident fund

The Company and its subsidiaries and their 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 2013, the Company contributed approximately Baht 19 million (2012: Baht 16 million) to the fund.

25. Dividend

Dividends declared in 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Approved by	Total dividends	Dividend per share	Paid on
Dividend from 2012 retained earnings	Annual General Meeting of the shareholders on 30 April 2013	1,014,526	0.86	27 May 2013
Dividend from 2011 retained earnings	Annual General Meeting of the shareholders on 27 April 2012	1,185,193	1.00	25 May 2012

26. Commitments and contingent liabilities

26.1 Capital commitments

26.1.1 As at 31 December 2013, the Company and its subsidiaries had capital commitments of approximately Baht 18 million, USD 1 million and RMB 159 million (2012: Baht 22 million, Euro 1 million and RMB 198 million), relating to the construction of factory buildings and acquisition of machinery and equipment [the Company only: Baht 12 million and USD 1 million (2012: Baht 10 million)].

26.1.2 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 but no outstanding balance as such agreements as at 31 December 2013.

26.2 Lease commitments

As at 31 December 2013 and 2012, the Company and its subsidiaries had the following lease commitments:

a) Lease of land. Future rentals payable under these leases were as follows:

(Unit: Million Baht)

	As at 31 December	
	2013	2012
Payable:		
in up to 1 year	9	9
In over 1 and up to 5 years	38	38
In over 5 years	33	42

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

(Unit: Million Baht)

	As at 31 December	
	2013	2012
Payable:		
in up to 1 year	162	123
In over 1 and up to 5 years	441	424
In over 5 years	671	773

26.3 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 entered into an agreement to buy raw materials from an associated company at the quantity and at the price stipulated in the relevant joint venture agreement.

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

26.4 Bank guarantees

As at 31 December 2013, there were outstanding bank guarantees and letters of credit totaling Baht 19 million (2012: Baht 20 million) [the Company only: Baht 18 million (2012: Baht 19 million)] issued by banks on behalf of the Company and its subsidiaries as required in their normal course of business.

27. Financial instruments

27.1 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. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate were summarized in the table below, with those financial assets and liabilities that carried fixed interest rates further classified based on the maturity date, or the repricing date if this occurred before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2013			
	Fixed interest rates over 5 years	Floating interest rate	Non-interest bearing	Total
Financial assets				
Cash and cash equivalents	-	1,513	-	1,513
Trade and other receivables	-	-	2,660	2,660
Total	-	1,513	2,660	4,173
Financial liabilities				
Trade and other payables	-	-	1,943	1,943
Long-term loans	571	2,857	-	3,428
Total	571	2,857	1,943	5,371

(Unit: Million Baht)

	Separate financial statements as at 31 December 2013			
	Fixed interest rates over 5 years	Floating interest rate	Non-interest bearing	Total
Financial assets				
Cash and cash equivalents	-	1,162	-	1,162
Trade and other receivables	-	-	2,482	2,482
Short-term loan to subsidiary	-	1,250	-	1,250
Long-term loans to subsidiaries	-	3,127	-	3,127
Total	-	5,539	2,482	8,021
Financial liabilities				
Trade and other payables	-	-	1,640	1,640
Long-term loans	571	2,857	-	3,428
Total	571	2,857	1,640	5,068

(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

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.

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

Foreign currencies	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 of foreign currency)	
US dollar	16.8	16.1	3.6	1.3	32.8136	30.6316
Euro	1.1	0.4	0.4	1.0	45.0217	40.5563
Japanese yen	46.5	9.6	-	0.6	0.3102	0.3545
Renminbi	16.1	-	9.2	-	5.4087	-

As at 31 December 2013 and 2012, the Company and its subsidiaries had outstanding forward exchange contracts, of which details were presented below.

As at 31 December 2013					
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
			(Baht per 1 foreign currency unit)		
US dollar	5.6	21.7	32.1133	32.2299	January - July 2014
Japanese yen	-	76.0	-	0.3190	February - July 2014

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

27.2 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.

28. 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 2013, the Company and its subsidiaries' debt-to-equity ratio was 0.35:1 (2012: 0.28:1) and the Company's was 0.31:1 (2012: 0.25:1).

29. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 21 February 2014.



General Information and Other Information

General Information

(1) Information of listed company

Name of the listed company	: Vinythai Public Company Limited
Address of Head Office and Plant	: No. 2, I-3 Road, Map Ta Phut Industrial Estate, Tambon Map Ta Phut, Amphoe Mueang, Rayong Province 21150
Telephone No.	: 0-3868-3112, 0-3892-5000
Fax No.	: 0-3868-3048
Address of Business Office	: 14 th Floor, Green Tower 3656/41 Rama IV Road, Khwang Klongton, Khet Klongtoey, Bangkok 10110
Telephone No.	: 0-2240-2425-38, 0-2229-9100 (30 lines)
Fax No.	: 0-2240-1383, 0-2240-1386, 0-2240-1375
Type of Business	: Production and supply of petrochemical products: PVC resins, VCM, Caustic Soda and other products from PVC production
Company's registration No.	: 0107536000846
Home Page	: www.vinythai.co.th
Registered Capital	: 7,111,160,664 Baht
Number of Ordinary Shares	: 1,185,193,444 Shares
Number of fully paid-up shares	: 1,185,193,444 shares

(2) Information concerning Juristic Person in which Vinythai holds at least 10% of issued shares

(a) *Advanced Biochemical (Thailand) Company Limited*

Address of Head Office and Plant	: No. 2/1, I-3 Road, Map Ta Phut Industrial Estate, Tambon Map Ta Phut, Amphoe Mueang, Rayong Province 21150
Telephone No.	: 0-3868-3112, 0-3892-5000
Fax No.	: 0-3868-3048
Address of Business Office	: 14 th Floor, Green Tower 3656/41 Rama IV Road, Khwang Klongton, Khet Klongtoey, Bangkok 10110
Telephone No.	: 0-2240-2425-38, 0-2229-9100 (30 lines)
Fax No.	: 0-2240-1383, 0-2240-1386, 0-2240-1375
Type of Business	: Manufacturing and trading of chemical product
Company's registration No.	: 0105551033847
Home Page	: -
Registered Capital	: 1,500,000,000 Baht
Number of Ordinary Shares	: 15,000,000 Shares
Number of fully paid-up shares	: 15,000,000 shares

(b) Vinythai Holding Pte. Ltd.

Address of Business Office	: No. 10 Collyer Quay #10-01 Ocean Financial Centre, Singapore (049315)
Telephone No.	: 656 531 4187
Type of Business	: Holding company
Company's registration No.	: 201221341H
Home Page	: -
Registered Capital	: 286,690,007 RMB
Number of Ordinary Shares	: 286,690,007 Shares
Number of fully paid-up shares	: 286,690,007 Shares

(c) Solvay Biochemicals (Taixing) Ltd.

Address of Business Office	: No. 1, Futai Road, Taixing Economic Development Zone, Jiangsu Province, the People's Republic of China
Type of Business	: Manufacturing and trading of chemical product
Company's registration No.	: 321200400016994
Home Page	: -
Registered Capital	: 286,599,387 RMB

(d) Pimai Salt Co., Ltd.

Address of Business Office	: 1 st Floor Room A, Srifuengfung Building, 1016 Rama 4 Road, Silom Sub-district, Bangrak District, Bangkok 10500
Telephone No.	: 0-2633-9380-3
Fax No.	: 0-2633-9390
Type of Business	: Manufacturing of salt
Company's registration No.	: 0105537097221
Home Page	: www.psc.co.th
Registered Capital	: 193,891,500 Baht
Number of Ordinary Shares	: 1,938,915 Shares
Number of fully paid-up shares	: 1,938,915 Shares





(3) Other referenced information

Ordinary Share Registrar : Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey,
Bangkok 10110, Thailand

Tel. : (66 2) 229 2800
Fax : (66 2) 359 1259
TSD CALL CENTER : (66 2) 229 2888
Website : <http://www.tsd.co.th>
E-mail : TSDCallCenter@set.co.th

Auditor : Mr. Supachai Phanyawattano and/or
Ms. Thipawan Nananuwat and/or
Ms. Siraporn Ouannunkun and/or
Mr. Khitsada Lerdwana
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 Limited : Chandler and Thong-Ek Law Offices
7th Floor, Bubhakit Building
20 North Sathorn Road
Bangkok 10500
Tel. 0-2266-6485
Fax 0-2266-6483-4

Shareholders and Dividend Policy

Securities Information

Number of Common Shares and Paid-up Capital

Registered capital and Paid-up capital as of 31 December 2013 was Baht 7,111,160,664 consist of 1,185,193,444 ordinary shares of 6 Baht each.

Shareholders

(a) Major Shareholders :

No.	Names of Shareholders	10 May 2013 (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	Thai NVDR Company Limited	32,471,478	2.74
4	Charoen Pokphand Holding Co., Ltd.	21,200,000	1.79
5	Mr. Chaveng Apata	13,100,000	1.11
6	Mr. Anucha Kitthanamongkonchai	11,180,000	0.94
7	East Fourteen Limited-Dimensional EMER MKTS Value FD	6,553,917	0.55

Remarks : The latest closing date for right to receive dividend in May 2013. Shareholders and investors can find a current list of major shareholders at www.vinythai.co.th.

: Major shareholders no. 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.
 2. 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.

The report is supplemented by further information given in Vinythai Plc.'s annual disclosure of information (form 56-1) shown on www.sec.or.th or www.vinythai.co.th.

2013 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	2013 (Thousand Baht)
<u>Transaction with subsidiary</u>				
1. Advanced Biochemical (Thailand) Co., Ltd.	Production of Epichlorohydrin (ECH)	Vinythai holds 100 percent of its shares.	Service income Interest income Sale of caustic soda Purchase of raw materials Rental Equipment Purchase Equipment Spare part service	137,898 164,234 658,248 130,327 - - 4,878
2. Solvay Biochemical (Taixing) Co., Ltd.	Production of Epichlorohydrin (ECH)		Reimbursement expense Interest income	626 1,061
<u>Transaction with associated company</u>				
1. Pimai Salt Co., Ltd.	Manufactured and trading of industrial salt	Vinythai holds 28.49 percent.	Purchase of raw materials	447,507
<u>Transactions with related companies</u>				
1. Solvay S.A. and Solvay's Subsidiaries	Production and distribution of products in 2 core businesses : Chemical and Plastic	Solvay S.A. holds 100 percent of Solvay Vinyls Holding AG's shares.	PVC export for testing 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 Other service income	982 245 - 6,364 3,039 20,928 28,746.76 2,797 8,307 3,899
2. 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	86,758 311 5,241 -
3. 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	42,311 6,956,040 4,001
4. 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	41,199
5. 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	17,736
6. MTP HP JV (Thailand) Co., Ltd.	Production and distribution of Hydrogen peroxide	Company owned by Solvay's subsidiaries	Sale caustic soda	11,025
				8,784,708

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. 9 to the 2013 financial statements as examined and reported by the auditor under his audit report dated 21 February 2014.

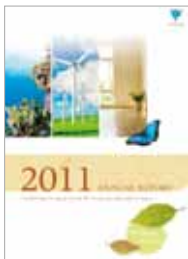




Annual Report 2013



Annual Report 2012



Annual Report 2011



Annual Report 2010



Annual Report 2009



Annual Report 2008



Annual Report 2007



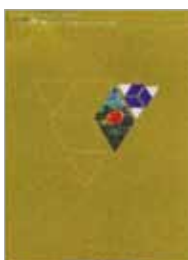
Annual Report 2006



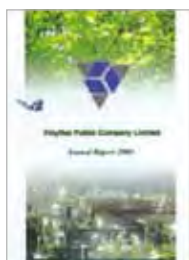
Annual Report 2005



Annual Report 2004



Annual Report 2003



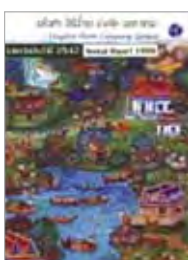
Annual Report 2002



Annual Report 2001



Annual Report 2000



Annual Report 1999



Annual Report 1998



Annual Report 1997



Annual Report 1996

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