



VINYTHAI



ANNUAL REPORT  
**2014**

CORPORATE  
GOVERNANCE

The background of the cover features several stylized trees in a light green color. The trees have thin, vertical trunks and a dense canopy of small, oval-shaped leaves. They are arranged in a way that creates a sense of depth, with some trees appearing closer and larger, and others further away and smaller.

# Vinythai Public Company Limited

Annual Report 2014

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## Financial Highlights

Unit: Million Baht	2012 <sup>#</sup> (Restated)	2013 <sup>#</sup>	2014 <sup>#</sup>
Sales Revenues	16,933	17,332	17,742
Total Revenues	17,090	17,497	17,847
Gross Profit	2,878	1,393	1,365
Income before Financial Cost	1,813	297	(1,078)
Net Profit	1,562	198	(963)
Depreciation	1,257	1,398	1,433
Cash Flow from Operating Activities	2,974	1,475	1,890
Capital Expenditures	2,538	993	615
Total Assets	21,533	21,783	19,773
Total Liabilities	4,688	5,638	4,701
Total Loan	3,000	3,428	3,000
Shareholders' Equity	16,846	16,145	15,072
Persons Employed as of Year End	466	468	464

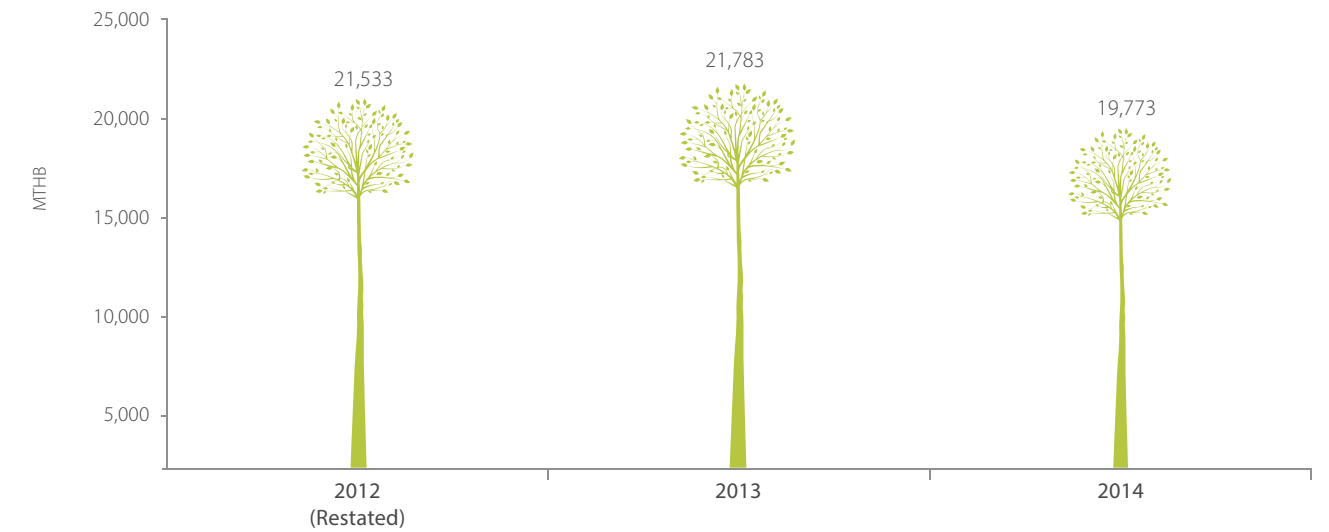
## Information per Share & Financial Ratio

Unit: Baht	2012 <sup>#</sup> (Restated)	2013 <sup>#</sup>	2014 <sup>#</sup>
Earning per Share	1.31	0.17	(0.81)
Book Value per Share	14.21	13.62	12.72
Dividend per Share (Baht/Share)	0.856	0.064	0.100
Net Profit Margin	9.1%	1.1%	-5.4%
Return on Average Equity (ROE)	9.4%	1.2%	-6.2%
Return on Average Assets (ROA)	8.8%	1.4%	-5.2%

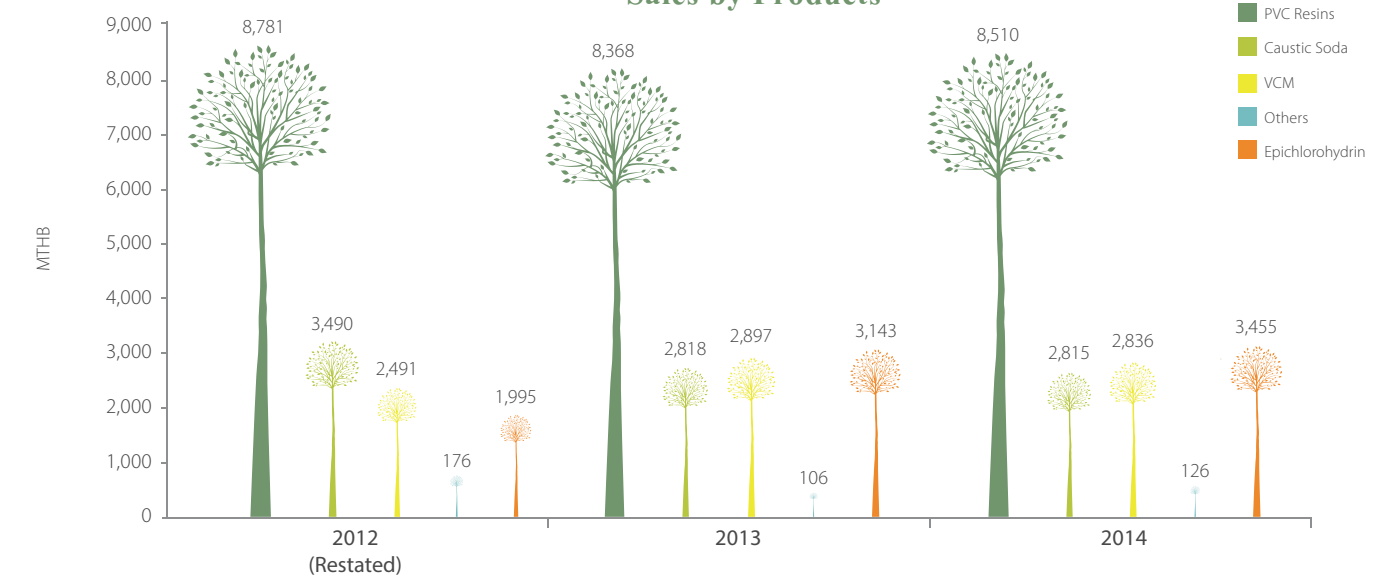
<sup>#</sup> Information above was extracted from consolidated financial statements.

\* The Board of Directors' Meeting resolved to propose the Annual Ordinary General Meeting of Shareholders to consider and approve in April 2015.

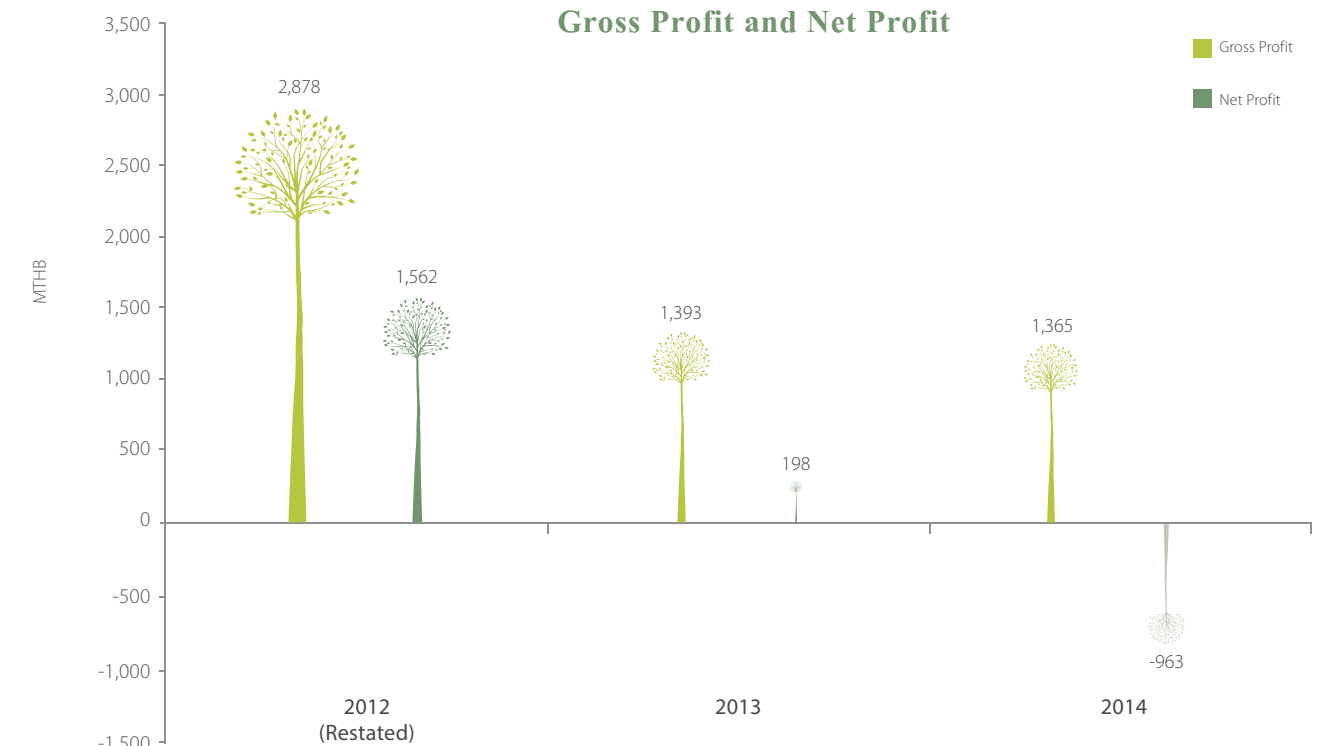
### Total Assets



### Sales by Products



### Gross Profit and Net Profit







## On the Right Path to a Solid Recovery

After a marked dip of its results in 2013, the Company focused on restoring operating profitability. Even if the business environment on the various markets where the Company is acting remained difficult in 2014, the Company succeeded in scoring many important points. Vinythai is determined to further extend this recovery thanks to a clear action plan and a fully engaged management team.

Safety is and will always be the Company's first priority. On that front, the Company extends its excellent track record: the 5.9 million hours of staff operation and 11.3 million hours of contractor operation without any "lost time accident" have been recognized by the Ministry of Labor that granted again to the Company the "Zero Accident Award – Silver level". This very strong performance results from the tremendous and continuous attention that each member of the Company is paying to the day-to-day safety of all employees and subcontractors.

On the sales and manufacturing side, the Company pursued its continuous improvement strategy which lead again to several monthly volume records reached in 2014 for our different production units. On top of that, the programmed multi-annual mid-year extended maintenance, which affected last year the production volumes, has been the occasion to unleash some new additional capacity creeping. In order to extend the improvement momentum into 2015, the Company will launch an Operational Excellence Program, covering many areas like manufacturing,

supply chain, commercial activities. The whole Management is committed to deliver significant results through the implementation of this Program.

On the markets, like in many commodities, the Chinese overcapacities have impacted both the Vinyls and Epichlorohydrin businesses and margins remained under severe pressure. This significantly affected the Company's annual financial performances.

But overall the Company resisted to the storms. Significant efficiency improvement and cost reduction programs have been launched on all fronts, and more are scheduled to come. The value of the Biosourced nature of Epicero!® has been consolidated as several accounts prefer to build their value chain on our Epichlorohydrin versus any alternative supply.

The Management structure of the Company was also reshuffled to ensure fast response to the challenges and a clear focus on operational results and cash management. This enabled the Company to register better Operating Profit than the previous year, despite the lower volumes and the strong headwinds coming from China.

A point of great attention remains the on-going Epichlorohydrin project in China for which the Management has intensively searched for

a potential partner to support the completion of the project. As the still depressed market conditions in China do not justify the actual continuation of the project under any partnership scheme, according to Accounting Standard, the Company has decided the impairment of those assets; the Company is therefore taking precautionary accounting measures while pursuing efforts to any further development of this project when better conditions arise. It remains fully committed to the development of its bio-based Epichlorohydrin chain.

All those actions are anchoring the Company on very solid market and financial basis, supported by a fully dedicated team to whom I extend my deepest thanks for their engagement.

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 2014, and for the years to come.

With warmest regards,

(Mr. Vincent De Cuyper)  
Chairman of the Board of Directors





# Vision, Mission and Values

## Our Vision

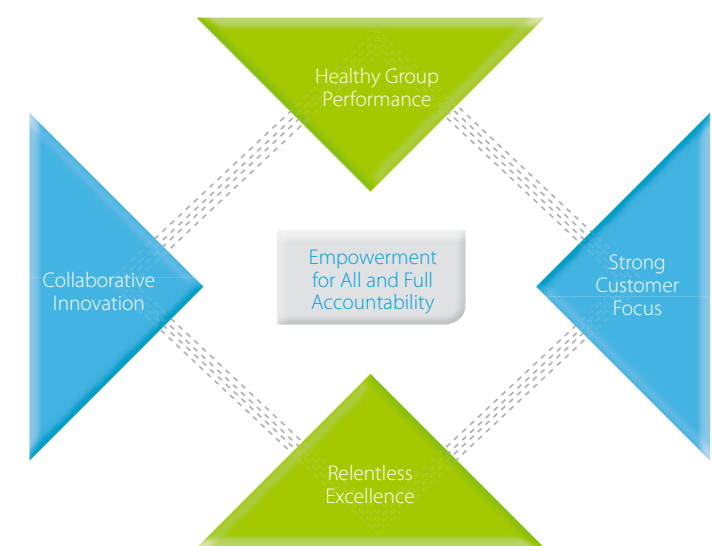
The Innovative, Competitive and Trusted Partner in Sustainable Chloro-Vinyls and Biochemicals

## Our Mission

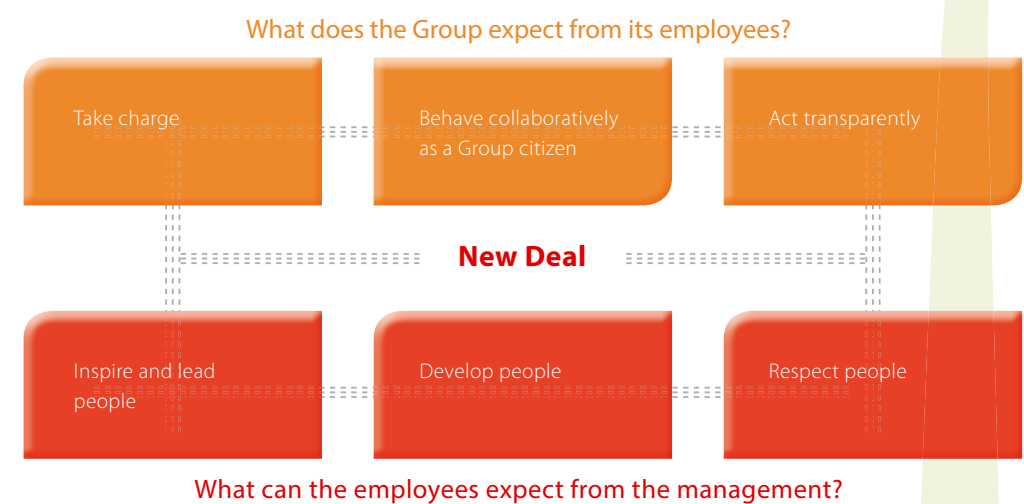
Vinythai supplies customers in Thailand and Asia with Polyvinyl Chloride resins, Caustic Soda, and Epichlorohydrin backed by world-class technology while creating ever-increasing value to its stakeholders.

## Our Values

### Our Management Model

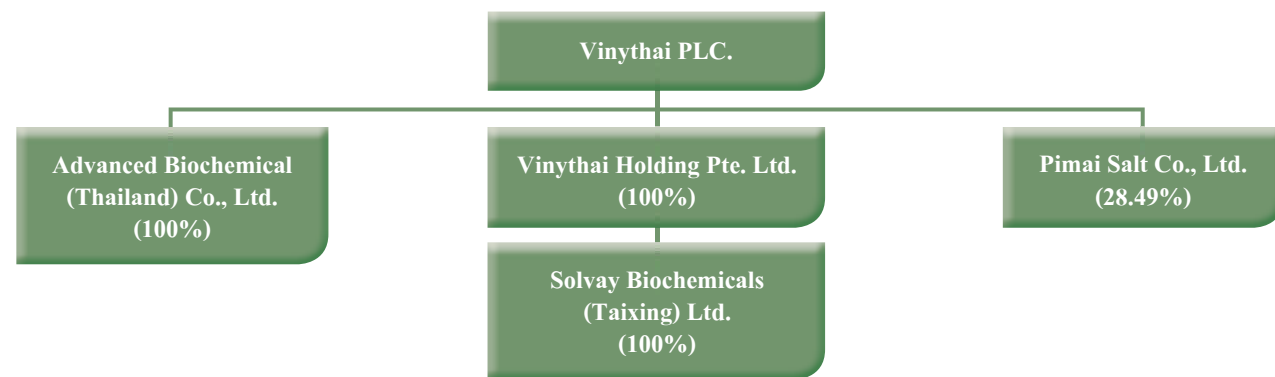


### Our People Model





# Shareholding Structure



## Advanced Biochemical (Thailand) Co., Ltd.

Advanced Biochemical (Thailand) Limited [formerly known as "Solvay Biochemicals (Thailand) Limited"], is a 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 a par value of BHT 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, registered in Singapore, is a subsidiary company of Vinythai that 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, is a subsidiary company of Vinythai, registered for the manufacturing and trading of chemical products. 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 a 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 25 November 2014). 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 complied with all related rules/regulations for these transactions.





# Nature of Operations

## Vinythai Public Company Limited

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

In addition to chlorine, which is utilized in downstream production processes, the Company's Chlor-Alkali plant produces significant quantities of Caustic Soda as well as Hydrogen and Sodium Hypochlorite. These products are sold in the domestic market. The Company's facilities are also equipped to import EDC and VCM as the need arises.

## Advanced Biochemical (Thailand) Co., Ltd.

The Company manufactures and sells EPICHLOROHYDRIN, a chemical substance mainly used in the Epoxy Resin production. It operates a plant located at Map Ta Phut on Rayong, on the site of its parent company (Vinythai). The Company uses a new production technology based on the Epicerol® process, developed and patented by Solvay S.A. The main raw materials of this process are Glycerin, Chlorine and Caustic Soda. The Glycerin is supplied from import and domestic suppliers, Chlorine and Caustic Soda are supplied from the parent company (Vinythai). The management decided to use the Epicerol® process name as a brand name for its bio-based epichlorohydrin product as a differentiating factor on the market.

## Solvay Biochemicals (Taixing) Limited

The Company is required to manufacture and sell EPICHLOROHYDRIN, the same product as Advanced Biochemical (Thailand) Co., Ltd.. Shareholders of the Company is Vinythai Holding Pte. Limited, which is incorporated in Singapore. It will operate 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 will supply from import and domestic suppliers, the company is registered to manufacture and sell Epichlorohydrin, Chlorine and Caustic Soda which will be supplied from domestic supplier, located within the same area.

## Income Structure

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

Sales Revenues	2014		2013		2012	
	MTHB	%	MTHB	%	MTHB	%
<b>Sales in Thailand</b>						
1. PVC Resins	5,347	35.8	5,184	34.9	5,439	35.6
2. Caustic Soda	2,935	19.7	2,688	18.1	3,575	23.4
3. VCM	2,760	18.5	2,824	19	2,491	16.3
4. Others	540	3.6	533	3.6	176	1.2
<i>Total Sales in Thailand</i>	<i>11,582</i>	<i>77.6</i>	<i>11,229</i>	<i>75.6</i>	<i>11,680</i>	<i>76.5</i>
<b>Sales Abroad</b>						
1. PVC Resins	3,164	21.2	3,184	21.4	3,342	21.9
2. Caustic Soda	107	0.7	362	2.4	246	1.6
3. VCM	76	0.5	73	0.5	-	-
<i>Total Sales Abroad</i>	<i>3,347</i>	<i>22.4</i>	<i>3,619</i>	<i>24.4</i>	<i>3,588</i>	<i>23.5</i>
<b>Sales in Thailand and Abroad</b>						
1. PVC Resins	8,510	57	8,368	56.4	8,781	57.5
2. Caustic Soda	3,042	20.4	3,050	20.5	3,821	25
3. VCM	2,836	19	2,897	19.5	2,491	16.3
4. Others	540	3.6	533	3.6	176	1.2
<i>Total Sales in Thailand and Abroad</i>	<i>14,929</i>	<i>100</i>	<i>14,848</i>	<i>100</i>	<i>15,269</i>	<i>100</i>

## Income Structure of Subsidiary Company

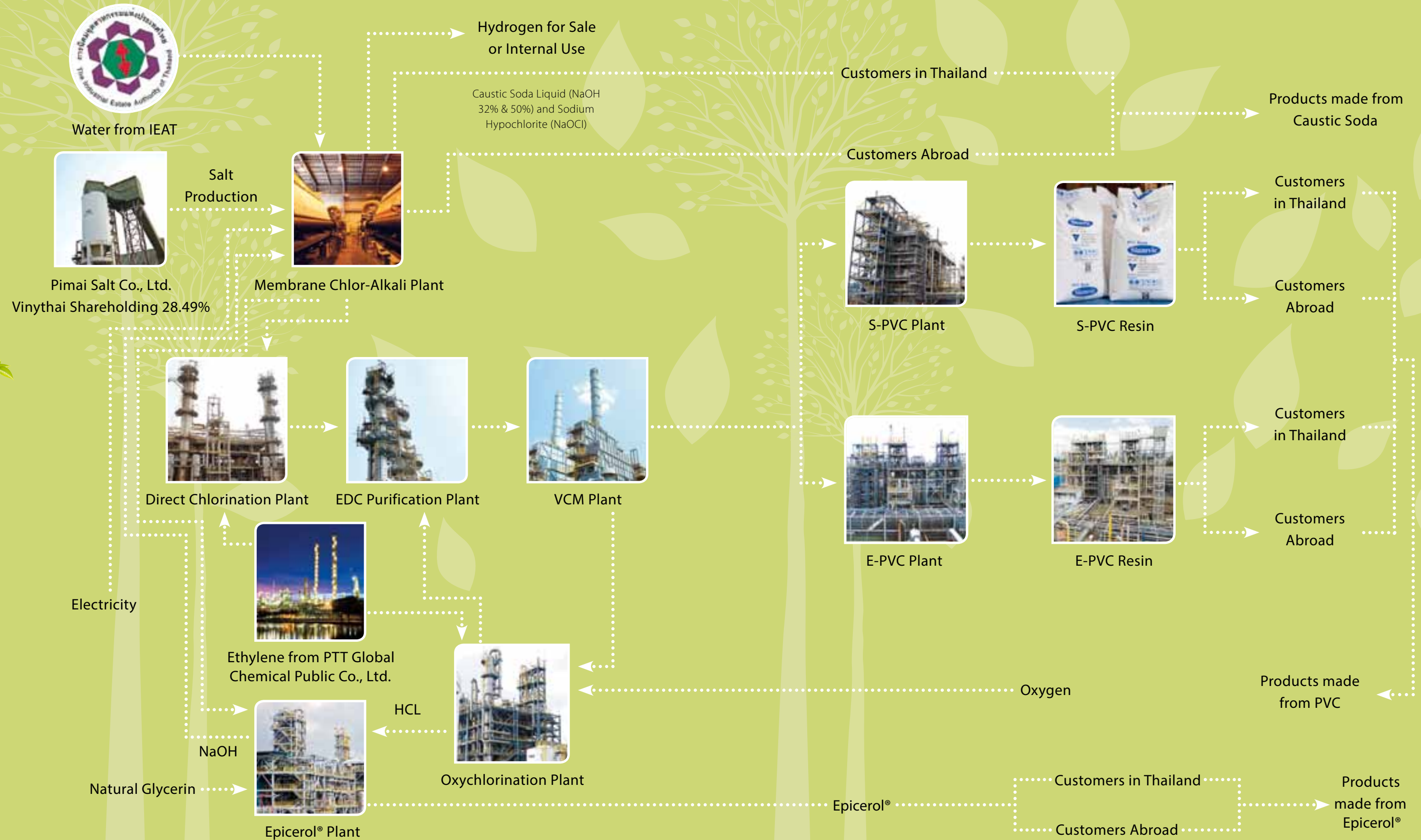
Product / Service	2014		2013		2012	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
<b>Advanced Biochemical (Thailand) Co., Ltd.</b>						
Produce & Supply Epichlorohydrin	3,455	97.5	3,143	97.2	1,995	97.4
Others	87	2.5	90	2.8	54	2.6
% Shareholding by Vinythai		100		100		100

## Income Structure of Associated Company

Product / Service	2014		2013		2012	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
<b>Pimai Salt Co., Ltd.</b>						
Produce & Supply Pure Refined Salt	1,675		1,548		1,439	
% Shareholding by Vinythai		28.49		28.49		28.49

# Production Structure

## Vinythai is fully Integrated Production Process





# Production and Process Development

## Production Situation

- The plants set new monthly production records equivalent to their nameplate capacities for Caustic Soda (NaOH), Vinyl Chloride Monomer (VCM), and Epichlorohydrin (ECH). Achieving target in such a relatively short time testified to the expertise of the Vinythai team in implementing the new Epicerol® technology effectively.
- Suspension PVC output was notably increased, from 247 to a level of 280 kt, with an average of 265 kt/y for the full year.
- The Company successfully completed its tri-annual major turnaround and made such improvements that the period between major turnarounds has been extended to four years. This means that the plant will be available to produce more while also reducing maintenance costs.

## Manufacturing Excellence

The Company continued its ongoing manufacturing excellence program, including Lean Six Sigma, Solwatt and drive for innovation. These efforts are generating reductions in consumption of principal raw materials and energy and therefore cost savings of 90 MTHB versus the previous year. These savings substantially contributed to the Company's continued competitiveness amidst tough market conditions that prevailed throughout the year.

To reinforce the manufacturing excellence program, the Company started a full diagnosis of all its manufacturing departments, that will lead to changes up to personnel mindsets and behaviors early 2015.

## Personnel Development

The Company has continued to develop the competencies of all personnel. Besides regular training courses, Vinythai staff was sent to support overseas projects within the Solvay group. For example, six engineers spent a year at RusVinyl in Russia and seven other staff took part in a three-month start-up mission there. The Company also dispatched four of its engineers to manage the Bicar® project in Rayong.

Sending Vinythai staff to support other projects maximizes valorization of the Company's resources. It expands the participants' knowledge and experience which they can then apply to improve efficiency and generate more income for the Company.

Personnel development initiatives are not limited to technical fields. The Company also shares its human resources with sister companies in the Solvay group in such fields as human resources, finance, accounting and information technology.

# Marketing & Sales



Vinythai and its subsidiary Advanced Biochemicals (Thailand) produce and supply chlor-alkali derivatives to a wide range of industries and markets, mostly in Asia.

## Portfolio Outline

- **PVC or polyvinylchloride resins under the trademark Siamvic®**

High-quality range of products used in a variety of industries including automotive,

building & construction, consumer goods, electrical & electronics, healthcare, packaging, plumbing and wire & cable.

- **Caustic Soda, or sodium hydroxide**

Strong base soluble in water. It is used in various applications which are part of our daily life, such as pulp and paper, aluminum, detergents, fibers, food & feed among others.



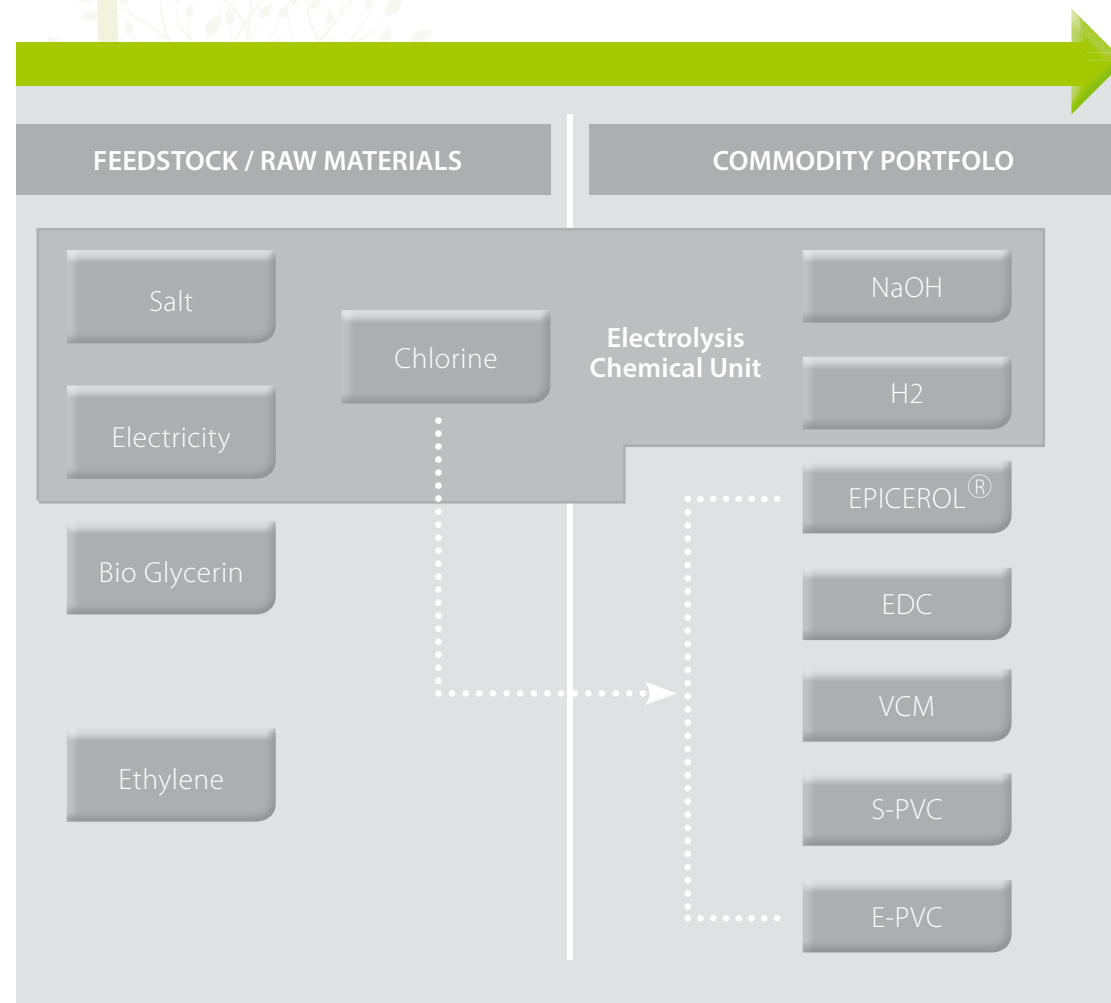
• **Epicerol®, Bio based Epichlorohydrin**

Epicerol® is biobased epichlorohydrin (ECH) produced using Solvay's proprietary process based on glycerol. Glycerol is a renewable feedstock and a by-product of biodiesel and oleochemical production.

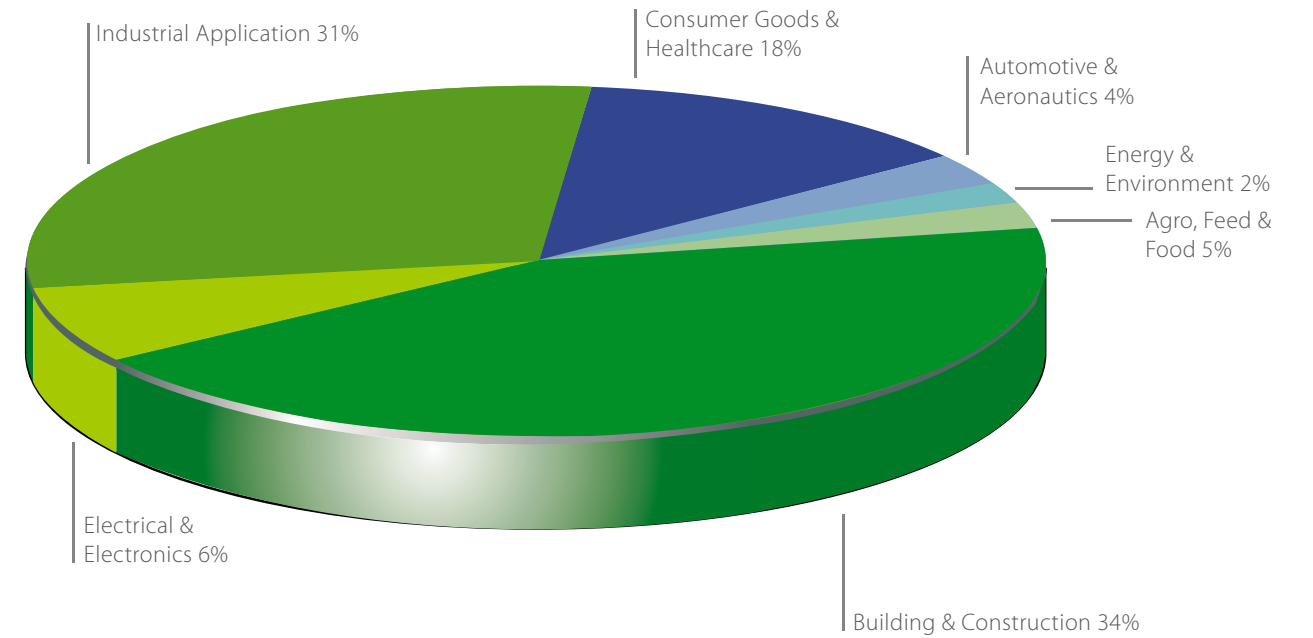
Epichlorohydrin is an essential feedstock for the production of epoxy resins, increasingly used in applications such as corrosion protective coatings, electronics, automotive, aerospace and wind turbine industries.

Epicerol® offers significant environmental advantages compared to fossil-based ECH from propylene.

By choosing Epicerol® over propylene-based ECH, downstream users can reduce the impact raw materials have on their end-products' carbon footprint. For each ton of Epicerol® incorporated, they reduce their carbon footprint by 2.6 tons (incl. biogenic CO2 capture).



**A Diversified Market Offering (Distribution of 2014 Net Sales)**



**A Competitive Leader on Its Core Markets and an Emerging Biochemical Player**

Several factors contribute to the success of the Company as a competitive player in S.E.A.

**Success factor for competitiveness:**

• **Integrated Manufacturing:** well integrated industrial site in Map Ta Phut

• **Secured raw materials:** Ethylene secured with the company's shareholder (PTTGC), Salt secured with the Company's stake in Pimai Salt, Glycerin of vegetable origin is sourced from diversified origins.

• **Successful Excellence programs:** our employees relentlessly strive to outperform manufacturing, supply chain and procurement excellence programs.

• **Research & Innovation:** focusing on development of new applications and improvement of technologies

The Company, as opposed to its main competitors, sells its products on the merchant market only and is recognized by its customers as a reliable and competitive partner to accompany their growth. This allowed the Company to reach a leadership position on its core markets.



"Sustainability begins at the Source" eloquently says the slogan of Advanced Biochemical (Thailand). Using vegetable glycerin and being produced with enhanced environmental performances makes Epicerol® not only a well-recognized brand for the Company's direct customers but also goes beyond in the value chain.

AkzoNobel for instance, ranking top of Dow Jones Sustainability index promotes the use of biobased materials in its coating formulations, including in Epoxy Coatings.

AkzoNobel and Solvay have signed a three-year agreement whereby AkzoNobel will progressively increase the use of Solvay's bio-based epichlorohydrin, or Epicerol®, which is already contained in many of the company's resins for its coatings products. By 2016, AkzoNobel aims to source 20 percent of its total epichlorohydrin demand as bio-based material.

Vinythai is truly emerging as a biochemical partner well recognized in the value chain.



## Resilient throughout 2014 Despite Challenging Market Conditions

The Company weathered several challenges in 2014 which amplified a pressure on margins initiated early 2013 for all PVC, Caustic Soda and Epichlorohydrin players in the region.

## Structural overcapacities from China coupled with demand growing at slower pace

Structural overcapacities in China on PVC, Caustic Soda and Epichlorohydrin coupled with a demand growing at slower pace in the region amplified an erosion of prices that already started early 2013.

The Company was also challenged in one of its core markets, Thailand. Political tensions early 2014 affected the country GDP hence the demand. On a competition side, the Company faced harsher competition from increasing imports from China mostly on PVC from carbide source.

## Firmer Ethylene and Energy costs

Firmer ethylene during the first three quarters - linked to high oil and high naphtha prices but also due to unexpected cracker shutdowns - and high energy prices through out the year further put pressure on the margins in 2014.

## Resilience

The Company proved to be very resilient thanks to its achievements on manufacturing, supply chain and procurement excellence programs. Decline of oil prices end of 2014 relieved earlier pressure on ethylene prices and softening glycerin prices eased the pressure on Epichlorohydrin margins.

The Company is ideally located in SEA, one of the most dynamic and fastest growing regions in 2014 and even managed to grow faster than the market. Epicerol® business line notably secured significant market shares

not only via enhanced partnerships with Key Epoxy Resins Accounts for composite, automotive, electronics and industrial protection applications but also successfully developed new niche markets recognizing bio-value.

Our Customer Technical Service teams jointly work with our Sales & Marketing team not only to provide customized services to our customers but also to further secure sustainable use of PVC in the Industry. Vinythai notably mentors young architects on the energy saving benefits of using PVC in buildings and construction but also joined efforts with the Industry to certify PVC for Green Label in Thailand.

Our team successfully secured two significant certifications in 2014 poising the company for further sustainable growth on key segments.





- Kosher Certification for Caustic Soda responding to the growing demand for food application of our key accounts.

- Green star Certification for PVC: Launched by the Green Building Council of Australia in 2003, Green Star is Australia's only national, voluntary, rating system for building and community

### Summary and outline for 2015

Vinythai strived to increase its competitive advantage throughout 2014 and truly emerged as a reliable biochemical player with its

Epicerol® business line. Our dedicated team swiftly reacted to challenging market conditions with sustainable marketing strategies and innovative excellence programs. Our team is ready to outperform in 2015 despite potential volatility risks linked to sharp decline of oil prices.

Ideally located in the center of ASEAN community, the Company will further capture shares of the increasing trades and will notably surf on the wave of ASEAN's unprecedented urbanization.





# HUMAN RESOURCES

“Together, we create value by shaping an engaging environment, and promoting a culture of people development, empowerment and performance.”

In order to drive our HR ambition and to build a strong culture of performance to support the business success, the following key HR strategic actions were deployed and implemented in the organization in 2014:

**Leadership Development -**  
**“The E3 Leader Program: Engage, Empower, Execute”:**

## Our Management Model



## Our People Model

What does the Group expect from its employees?



What can the employees expect from the management?

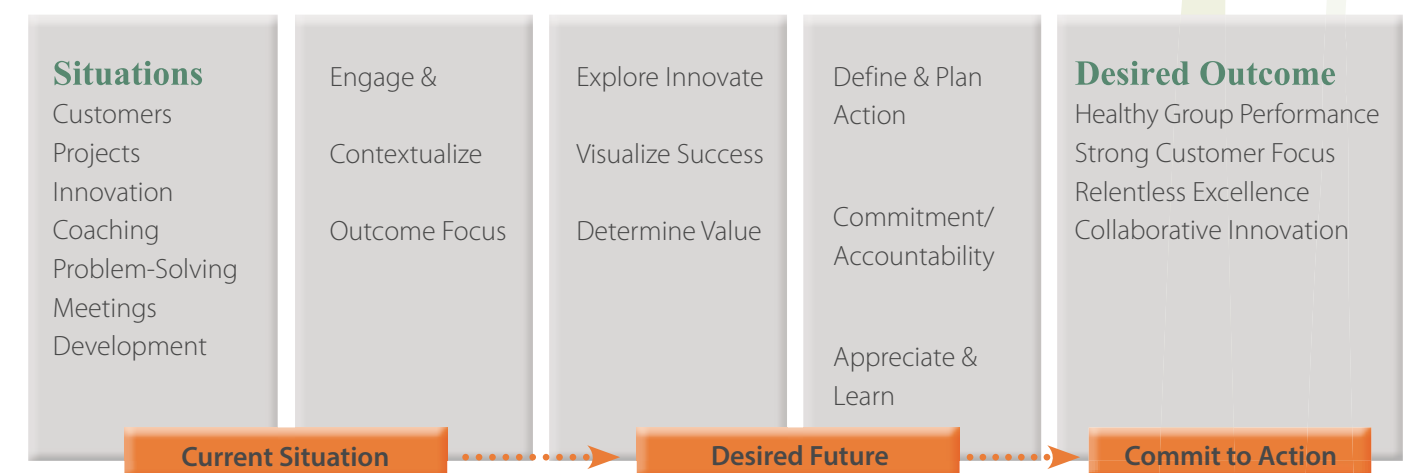
Since their deployment in 2013, one of our key objectives is to further integrate in our day-to-day management the Management Model & People Model, especially focusing on “Empowerment & Accountability” and “Develop People”. In that sense, “The E3 Leader Program: Engage, Empower, Execute” was rolled out for all Managers from Division Managers up to Executive level. This 4-month program aims to build our management skills in positively engaging and empowering our people through a cycle of:

On-Line Foundation Learning - core information on engaging and empowering skills through on-line self-study.

Leadership Community workshop sessions where we bring in our real work to learn, share, practice and plan together.

Inter-Session On-the-Job Application - taking what we learned and applying this back on the job to improve ourselves, our teams and our business.

A field integration project where we take the best of our newly learned skills and apply them on our real business projects and situations.



Along the journey of this program, our Managers applied skills and processes to conduct powerful, focused and productive conversations with peers, employees, customers and partners that engage, focus, develop and deliver business results. They shared E3 practice and exchanged their opinion through Line Group and Community of Practice session.

From the results of change tracking survey in November 2014 after completed the training, overall improvement on leadership behaviors demonstrated was increasing positively by 7%, and the engagement level of employees in working with their direct Managers was increasing by 8.5%.

### Leadership & Management Training with Solvay Corporate University:

Our nominated talents attended Leadership & Management training of Solvay Corporate University in following program:

#### 1. Management Development Series (MDS) Program:

This 10-days program helps to support the transition from individual contributor to a people management role by developing core management skills in alignment with Group's requirements.

#### 2. Adaptive Leadership:

This 3-days program helps our people improve the interpersonal/ leadership and feedback skills in order to better influence, lead and enhance performance of oneself and a team.

#### 3. International Management Seminar:

This 5-days program engages our people in strategic challenges of the Group in a way that develops cross business perspectives, proactive cooperation and networks. This course allows our people to work in virtual teams on key business challenges with support from a facilitator and a senior leader.

### Career Management and Talent Development:

The Career management process aims to provide development opportunities to ensure that every employee reaches his/her highest potential and develop skills for the future by focusing on individual development needs and career aspirations. This is discussed with the employee at the annual Performance Development and Career Review.

"Employee Mobility" and "Development & Succession Planning" policy are the crucial HR tools of career management and talent development;

#### Employee Mobility;

First and foremost, the Company is committed to the ongoing development of our employees and, as a part of this, to providing interesting and enriching career opportunities. We believe it is in the best long-term interest of both the Company and our people, to ensure that there are open channels to communicate about job opportunities to our employees and to provide clear rules that are applicable globally for how to apply to these opportunities.

We also believe that the movement of our employees across Business, Functions, and Locations is a key to promoting our culture, sharing of management practices, and ensuring the necessary transfer of scientific, technical and commercial expertise across the organization. All of this contributes to a motivated workforce, the sustainability of the Group and the employability of our people throughout their careers.



In year 2014, the movements of our employees within the Group are as follows:

- Across Business : 1 persons
- Across Function : 3 persons
- Across Country : 13 persons
- Across Company in Thailand : 3 persons

### Development and Succession Planning;

The Development and Succession Planning deployment aims to ensure the Company has the right people at the right place to achieve its growth strategy and performance.

Development and Succession Planning is a management meeting where topics related to Succession Planning, Talent identification and Career Development are discussed, and where decisions are prepared and made collectively taking into account employees' career aspirations and abilities. The career evolution of each talent is discussed in the DSP process at least once a year. And each talent receives feedback about next career steps and development plan based on the DSP outcome.

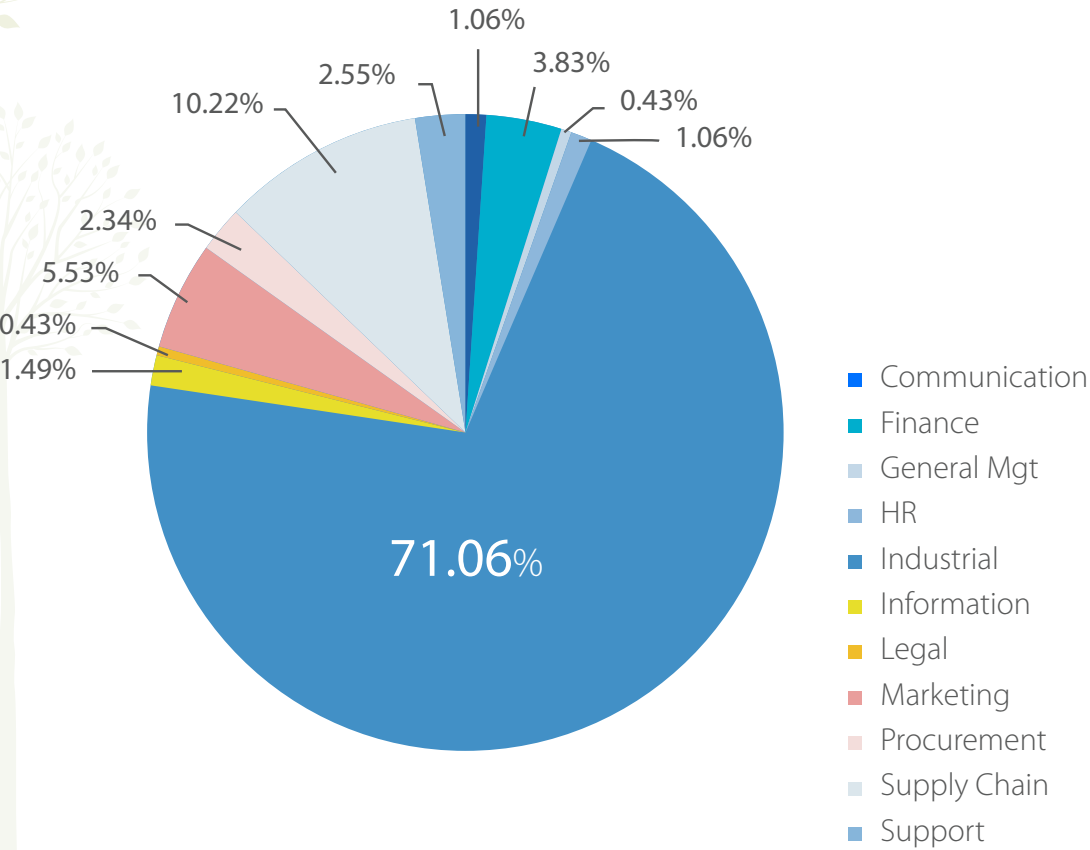
In year 2014, DSP meeting was conducted between HR and Department Managers in all Functions across the Company. The development needs identified during the DSP meeting will be discussed with employees in Performance, Development and Career Review in order to define the individual development plan.

### 2014 Key HR Statistics as of 31 December 2014

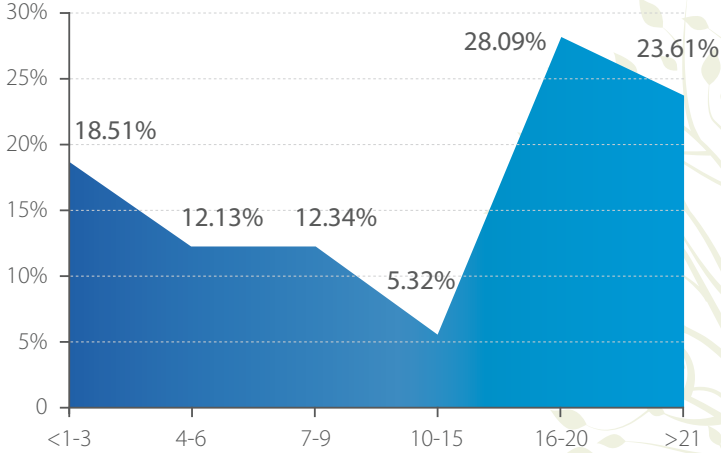
Total headcount is as follows:

Location	Vinythai	Advanced Biochemical (Thailand)	Solvay Biochemicals (Taixing)
Map Ta Phut	428	3	0
Bangkok	36	3	0
China	0	0	4

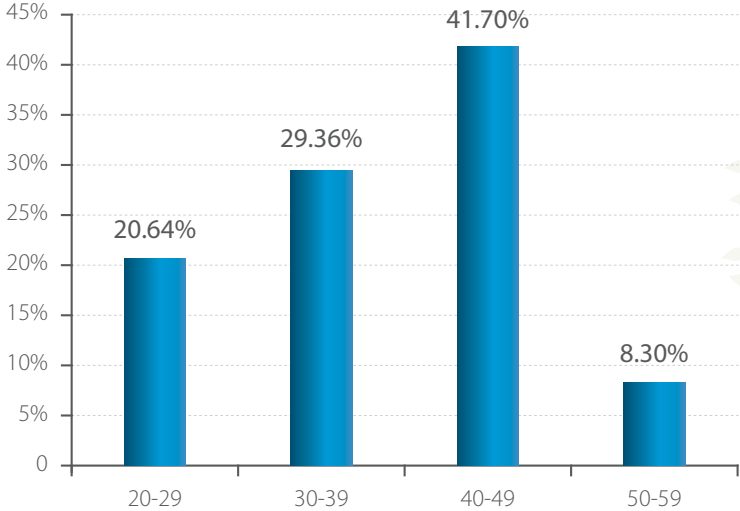
### By Functional Area



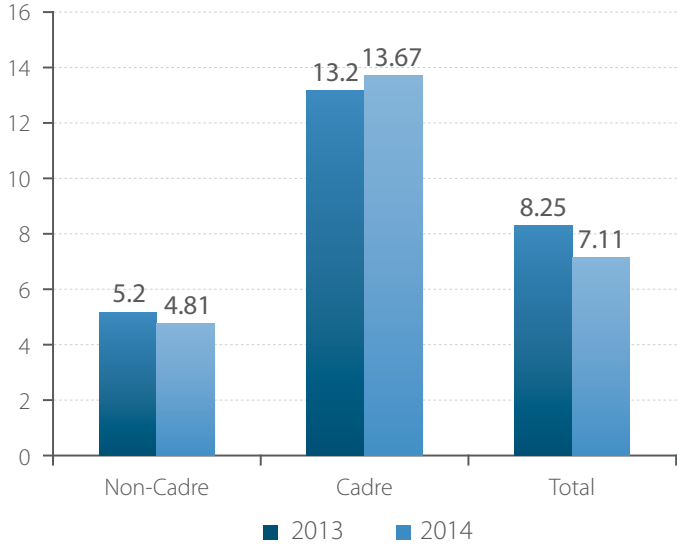
### Seniority in Company



### Age Pyramid



### Average Training Days/Employee





# Organization Chart of Vinythai Public Company Limited



## BOARD OF DIRECTORS OF VINYTHAI

Mr. Vincent De Cuyper (Age 53)



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 20 September 2014*

## Education

- Master's Degree in Industrial Management, University of Leuven, Belgium
- Bachelor's Degree in Chemical Engineering, Catholic University of Louvain-la-Neuve, Belgium

Proportion of shareholding (%) none

**Family's Relationship Management** none

## Main experience

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• 20 Sep 2014 - Present</li> </ul>     | Chairman of the Board of Directors and Chairman of Nomination & Remuneration Committee*, Vinythai Public Company Limited |
| <ul style="list-style-type: none"> <li>• 29 Apr 2014 - 19 Sep 2014</li> </ul> | Director, Vinythai Public Company Limited  |
| <ul style="list-style-type: none"> <li>• 2012 - Present</li> </ul>            | Member of the Executive Committee, Solvay S.A., Belgium  |
| <ul style="list-style-type: none"> <li>• Mar 2006 - 2012</li> </ul>           | Group General Manager of the Chemicals Sector and Member of the Executive Committee, Solvay S.A., Belgium                |
| <ul style="list-style-type: none"> <li>• Sep 2005 - Feb 2006</li> </ul>       | Deputy Group General Manager of the Chemicals Sector, Solvay S.A., Belgium   |
| <ul style="list-style-type: none"> <li>• 1 Aug 2002 - 1 Sep 2005</li> </ul>   | Managing Director, Vinythai Public Company Limited   |
| <ul style="list-style-type: none"> <li>• 1 Feb 1999 - 31 Jul 2002</li> </ul>  | Plant Manager, Vinythai Public Company Limited   |
| <ul style="list-style-type: none"> <li>• 1 Sep 1992 - 1 Oct 1996</li> </ul>   | PVC Production Manager, Vinythai Public Company Limited  |

Mr. Jacques van Rijckevorsel (Age 64)



Chairman of the Board of Directors, Chairman of Nomination & Remuneration Committee and authorized to sign to bind the Company  
*\* resigned from the positions in Vinythai on 19 September 2014*

## Education

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

Proportion of shareholding (%) none

**Family's Relationship Management** none

## Main experience

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• 2 May 2013 - 19 Sep 2014</li> </ul> | <p>Chairman of the Board of Directors and Chairman of Nomination &amp; Remuneration Committee*, Vinythai Public Company Limited</p> |
| <ul style="list-style-type: none"> <li>• 27 Apr 2004 - 2 May 2013</li> </ul> | <p>Director, Vinythai Public Company Limited</p>  |
| <ul style="list-style-type: none"> <li>• 2011 - Present</li> </ul>           | <p>Director, Solvay Indupa S.A.I.C.</p>   |
| <ul style="list-style-type: none"> <li>• 2000 - Present</li> </ul>           | <p>Member of Solvay Executive Committee, Solvay S.A. , Belgium</p>  |
| <ul style="list-style-type: none"> <li>• 2010 - Present</li> </ul>           | <p>Member of the Board, RusVinyl LLC</p>  |
| <ul style="list-style-type: none"> <li>• 2004 - Present</li> </ul>           | <p>Member of the Board, Aufsichtsrat of SolVin Europe GmbH</p>  |
| <ul style="list-style-type: none"> <li>• 2010 - Present</li> </ul>           | <p>Member of the Board, SOLVAY AMERICA INC</p>  |
| <ul style="list-style-type: none"> <li>• 2008 - 2011</li> </ul>              | <p>President of Plastics Europe, Association of European Plastics Manufacturers</p>   |
| <ul style="list-style-type: none"> <li>• 2010 - 2012</li> </ul>              | <p>Member of the CEFIC Executive Committee, European Chemical Industry Council</p>  |
| <ul style="list-style-type: none"> <li>• 2004 - 2012</li> </ul>              | <p>General Manager DSP1, The Plastics Sector, Solvay S.A. Belgium</p>   |
| <ul style="list-style-type: none"> <li>• 2000 - 2004</li> </ul>              | <p>General Manager DSTr, The Processing Sector, Solvay S.A. Belgium</p>   |
| <ul style="list-style-type: none"> <li>• 1996 - 2000</li> </ul>              | <p>General Manager, Vinyls Strategic Business Unit, Solvay S.A., Belgium</p>  |



### Mr. Supattanapong Punmeechaow (Age 55)

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 November 27, 2014

#### Education

- Master in Business Administration, Chulalongkorn University
- Bachelor in Chemical Engineering, Chulalongkorn University

#### Seminar on Directors Roles and Responsibilities

- Certificate of the Advance Management Program, INSEAD University, France
- Certificate of the National Defence Course (Class 50) and The Joint State-Private Sector Course (Class 20), National Defence College
- Certificate of the Oxford Energy Seminar 2013, United Kingdom
- Certificate of the Top Executives in the Energy Education Program, Thailand Energy Academy (Class 4)
- Certificate of the Corporate Governance Program for Directors and Executives of State Enterprises and Public Organizations (Class 12 ), 2014, King Prajadhipok's Institute-State Enterprise Policy Office and Office of the Public Sector Development Commission
- Certificate of the Director Certification Program (DCP) Class 131/2010
- Certificate of the Role of Chairman Program (RCP) Class 30/2013, Thai Institute of Directors Association (IOD)

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

#### Main experience

- 27 Nov 2014 - Present Vice Chairman of the Board of Directors and Member of Nomination & Remuneration Committee\*, Vinythai Public Company Limited
- 1 Oct 2014 - Present Chairman & President, PTT Global Chemical Public Company Limited
- 1 Oct 2011 - 30 Sep 2014 Senior Executive Vice President, Corporate Strategy, PTT Public Company Limited
- 2009 - 2011 Executive Vice President, Business Development, and Executive Vice President, Corporate Strategy, PTT Public Company Limited , PTT International Company Limited and PTT Public Company Limited



### Mr. Bowon Vongsinudom (Age 60)

Vice Chairman of the Board of Directors, Member of Nomination & Remuneration Committee and authorized to sign to bind the Company  
\*resigned from the positions in Vinythai on 15 November 2014

#### 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

#### Certifications

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

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

#### Main experience

- 3 Oct 2013 - 15 Nov 2014 Vice Chairman\*, Vinythai Public Company Limited
- 1 Oct 2013 - Present President & CEO, PTT Global Chemical Public Company Limited
- 2006 - Present Senior Executive Vice President, Downstream Petroleum Business Group, PTT Public Company Limited
- 1 Oct 2010 - 18 Oct 2011 Director / Risk Management Committee / President & CEO and Secretary to the Board of Directors, PTT Aromatics and Refining Public Company Limited
- 2009 - 2010 Senior Executive Vice President - Operations and Acting Executive Vice President - Supply Planning & Business Development, PTT Aromatics and Refining Public Company Limited



### Mrs. Puntip Oungpasuk (Age 54)

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

#### Certifications

- Certificate of the Advance Management Program (AMP), The Harvard Business School, USA
- Certificate of the Completion Directors Certification Program (DCP) Class 67/2005, Thai Institute of Directors (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

**Proportion of shareholding (%)** : Common Shares 84,200 shares (0.01%) \*All of these shares held by her spouse, Mr. Piya Oungpasuk

**Family's Relationship Management** none

#### Main experience

- 22 Sep 2005 - Present Director and Chairperson of the Business Advisory Committee, Vinythai Public Company Limited
- 12 Sep 2012 - 1 Jul 2013 Director, Vinythai Holding Pte. Ltd., Singapore
- 19 Oct 2011 - Present Executive Vice President, Corporate Strategy, PTT Global Chemical Public Company Limited
- 29 Jun 2010 - Present Director, Bio Creation Company Limited
- 15 Dec 2008 - Present Director, PTT Chemical International Private Limited
- 15 Dec 2008 - Present Director, PTT Chemical International (Asia Pacific ROH) Ltd.
- 24 Nov 2008 - Present Director, Emery Oleochemicals (M) Sdn Bhd
- 20 Mar 2007 - Present Director, PTT Phenol Company Limited
- 8 Sep 2005 - 8 Aug 2014 Director, TOC Glycol Company Limited
- 31 May 2012 - 25 Jul 2014 Director, VENCOREX Holding
- 13 Jan 2012 - 25 Jul 2014 Director, PTTGC International (Netherlands) B.V.
- 1 Jan 2013 - 13 Mar 2014 Chairperson of PTT Group Technology Committee, PTT Public Company Limited
- 1 Apr 2013 - 28 Feb 2014 Acting Head of Science & Innovation, PTT Global Chemical Public Company Limited
- 19 Apr 2012 - 3 Jul 2013 Director, Solvay Biochemicals (Taixing) Company Limited
- 23 Jan 2010 - 19 Jun 2013 Director, Advanced Biochemical (Thailand) Company Limited
- 27 Apr 2009 - 16 Jul 2012 Director, Pimai Salt Company Limited
- 13 Jan 2011 - 31 Dec 2011 Director, Myriant Corporation



### Mr. Pote Videtyontrakich (Age 61)

Independent Director and Member of Audit Committee

#### Education

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

#### Certifications

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

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

#### Main experience

- 3 Aug 1999 - Present Independent Director and Member of Audit Committee, Vinythai Public Company Limited
- Feb 2002 - Present Managing Director, Private Equity (Thailand) Company Limited
- Sep 2014 - Present Director, Viet-Uc Seafood Joint Stock Company





### Mr. Pipop Pruecksamars (Age 67)

Independent Director, Chairman of Audit Committee, and Member of Nomination & Remuneration Committee

#### Education

- Bachelor's Degree, Industrial Engineering, Chulalongkorn University
- Graduate Diploma, Environmental Technology and Management, Asian Institute of Technology

#### Certifications

- Certificate, Program for Management Development, Harvard University
- 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)

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

#### Main experience

- 24 Apr 2008 - Present Independent Director, Chairman of Audit Committee, and Member of Nomination & Remuneration Committee, Vinythai Public Company Limited
- 1 Mar 2005 - 31 Dec 2009 Executive Director, Petroleum Institute of Thailand
- 1 Jan 2000 - 28 Feb 2005 Director and Public Affairs Manager, Esso (Thailand) Public Company Limited
- 1 Oct 1997 - 28 Feb 2005 Chairman and Managing Director, Exxon Mobil Chemical (Thailand) Company Limited
- 1 Sep 1994 - 30 Sep 1997 Managing Director, Thai Petroleum Pipeline Company Limited



### Associate Professor Danuja Kunpanitchakit, Ph.D. (Age 61)

Independent Director and Member of Audit Committee

#### 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

#### Certifications

- Certificate of Director Accreditation Program 98/2012 (IOD)
- Certificate of Audit Committee Program (AACP 44/2013) (IOD)

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

#### Main experience

- 27 Feb 2014 - Present Member of Audit Committee, Bank of Thailand
- 25 May 2012 - Present Independent Director and Member of Audit Committee, Vinythai Public Company Limited
- 1 Apr 2008 - Present Vice President (Finance), Chulalongkorn University
- 2005 - Present Advisory Committee, Asian-Pacific Conference on International Accounting Issues
- 30 Jul 2009 - 29 Jul 2011 Committee, Financial Institutions Policy Committee, Bank of Thailand
- 30 Mar 2007 - 29 Mar 2011 Committee, Institution Council Committee, Panyapiwat Institute of Management
- 30 Jul 2008 - 29 Jul 2011 Subcommittee, Management Accounting Subcommittee, Federation of Accounting Professions
- 1 May 2003 - 30 Apr 2007 Dean, Faculty of Commerce and Accountancy, Chulalongkorn University
- 1 Oct 1998 - 30 Sep 2002 Head, Department of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University



### Mr. Vincenzo Morici (Age 63)

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

#### Education

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

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

#### Main experience

- 1 Mar 2010 - Present Director and Member of Business Advisory Committee, Vinythai Public Company Limited
- 1 Dec 2013 - Present Senior Executive Vice President Vinyls Development Project, Solvay S.A., Belgium
- 1 Feb 2010 - 30 Nov 2013 Senior Executive Vice President, SDU Vinyls, Solvay S.A., Belgium
- 1 Jan 2000 - 31 Jan 2010 Senior Executive Vice President, SBU Specialty Polymers, Solvay S.A., Belgium



### Mr. Martin Laudénbach (Age 50)

Director and authorized to sign to bind the Company

*\* appointed as Director on September 16, 2014*

#### Education

- Master in Business Administration, Mannheim University in Germany

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

#### Main experience

- 16 Sep 2014 - Present Director\*, Vinythai Public Company Limited
- Jul 2014 - Present President, Asia Pacific, Solvay China, PRC
- Sep 2010 - Jun 2014 President, Polyamide & Intermediates, Solvay (Rhodia Operations SA), France
- Jun 2009 - Aug 2010 Executive Management Consultant & Investment Advisor, Solvay (Rhodia Operations SA), France
- Feb 2007 - Mar 2009 Chief Executive Officer, Almatris Group, Germany



### Mr. Michel Ybert (Age 63)

Director and authorized to sign to bind the Company  
\*resigned from his directorship on 16 July 2014

#### Education

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

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

#### Main experience

- 2 May 2013 - 16 Jul 2014 Director\*, Vinythai Public Company Limited
- Jan 2013 - Present President, Asia Pacific, Solvay Specialty Chemicals Asia Pacific Pte. Ltd.
- 2003 - Dec 2012 President, Asia Pacific, Rhodia Asia Pacific Pte. Ltd.



### Mr. Richard Verlaque (Age 50)

Director and authorized to sign to bind the Company  
\*appointed as Director on September 16, 2014

#### Education

- Post Graduate Degree in Commercial Law, Tax and Accounting, University of Aix en Provence, France (1989)
- Post Graduate Degree in International Business Law Institute for Business Law, University of Aix en Provence, France (1989)
- Master's Degree in Commercial Law, University of Aix en Provence, France (1987)

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

#### Main experience

- 16 Sep 2014 - present Director\*, Vinythai Public Company Limited
- 1 Sep 2014 - present General Counsel Asia Pacific, Solvay SA (China)
- 1 Jan 2012 - 31 Aug 2014 Associate General Counsel Corporate and Industrial Affairs, Solvay SA (Belgium)
- 1 Jan 2007 - 31 Dec 2011 Associate General Counsel, Solvay SA (Belgium)



### Mrs. Quitterie Dupontreue de Pelleport (Age 37)

Director, Member of Ad-Hoc Committee and authorized to sign to bind the Company  
\*resigned from her directorship on 15 September 2014

#### 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

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

#### Main experience

- 2 May 2013 - 15 Sep 2014 Director and Member of Ad-Hoc Committee\*, Vinythai Public Company Limited
- Jan 2013 - Present Vice-President and General Counsel, Asia Pacific, Solvay S.A.
- Sep 2010 - Jan 2013 Vice-President and General Counsel, Asia Pacific, Rhodia S.A.
- Jan 2008 - Sep 2010 Corporate Counsel, Mergers & Acquisitions, Rhodia S.A.



### Mr. Andre R. van der Heyden (Age 67)

Independent Director

#### Education

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

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

#### Main experience

- 29 Apr 2010 - Present Independent Director, Vinythai Public Company Limited
- 2008 - 2011 Managing Director, Padaeng Industry Public Company Limited
- 2005 - Present Co-owner/Executive Director, Mali Mining & Metallurgy Pte., Ltd., Singapore
- 2004 - 2005 Project Director, Tenango Mining Co., Guatemala
- 2000 - 2004 Managing Director, Padaeng Industry Public Company Limited
- 1993 - 2000 Senior Vice President, UM Zinc/Umicore, Belgium





## Mrs. Vallapa Assakul (Age 64)

Independent Director

### Education

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

### Certifications

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

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

### Main experience

- 1 Aug 2012 - Present Independent Director, Vinythai Public Company Limited
- 4 Oct 2013 - Present Director, Ocean Property Company Limited
- 25 May 2010 - Present Director, Siam Estate Company Limited
- 24 Feb 2010 - Present Director & Member of Executive Committee, Bangkok Expressway Public Company Limited
- 27 Mar 2009 - Present Independent Director, Bangkok Metro Public Company Limited
- 3 Apr 2012 - Present Chairman of the Risk Committee, Bangkok Metro Public Company Limited
- 2008 - Present Director, Amphan Company Limited
- 4 Jul 2006 - Present Director, The Ocean Life Insurance Company Limited
- 23 Nov 2006 - Present Chairman of Compensation Committee, The Ocean Life Insurance Company Limited
- 2 Jul 2009 - Present Member of Risk Committee, The Ocean Life Insurance Company Limited



## Mr. Bruno van der Wielen (Age 58)

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

### Certifications

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

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

### Main experience

- 1 May 2011 - Present Director, Managing Director and Member of Business Advisory Committee, Vinythai Public Company Limited
- 20 Jun 2013 - Present Chairman, Advanced Biochemical (Thailand) Company Limited
- 12 Sep 2012 - Present Director, Vinythai Holding Pte. Ltd., Singapore
- 19 Apr 2012 - Present Director, Solvay Biochemicals (Taixing) Company Limited
- May 2011 - Present Director, Pimai Salt Company Limited
- May 2011 - Present Director, Thai Refined Salt Company Limited
- May 2011 - 19 Jun 2013 Director and Managing Director, Advanced Biochemical Company Limited
- Jan - Apr 2011 Deputy Managing Director, Vinythai Public Company Limited
- 2002 - 2010 S-PVC Business Manager, SolVin, Belgium
- 1999 - 2002 PVDC Business Manager, SolVin, Belgium
- 1996 - 1999 PVDC Business Manager, Solvay S.A, Belgium
- 1993 - 1996 Engineering Compounds Business Manager, Solvay S.A, Belgium



## Dr. Dhanes Charoensupaya (Age 60)

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

*\* resigned from his directorship on 1 June 2014*

### Education

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

### Certifications

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

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

### Main experience

- 23 Apr 2009 – 1 Jun 2014 Director and Member of Ad-Hoc Committee\*, Vinythai Public Company Limited
- 30 May 2008 - Present Director, Thai Tank Terminal Limited
- 1 Feb 2008 - Present Director, PTT Phenol Company Limited
- 24 Jan 2012 - Present Director, Myriant Corporation
- 1 Sep 2012 - Present Director, PTT Chemical International Private Limited
- 13 Dec 2012 - Present Director, PTT Chemical International (Asia Pacific ROH) Ltd.
- 2 Jul 2010 - Present Chairman, Bio Creation Company Limited
- 1 Dec 2012 - Present Executive Vice President, Strategic Execution and Excellence PTT Global Chemical Public Company Limited
- 19 Apr 2012 - 3 Jul 2013 Director, Solvay Biochemicals (Taixing) Company Limited
- 23 Jan 2010 - 19 June 2013 Chairman, Advanced Biochemical (Thailand) Company Limited
- 2011 - 2012 Executive Vice President, Growth, Sustainability and Innovation, PTT Global Chemical Public Company Limited
- 2008 - 2011 Executive Vice President, Marketing Commercial and Supply Chain Governance, PTT Chemical Public Company Limited
- 2006 - 2007 Senior Vice President, TOC Glycol Company Limited
- 2005 - 2006 EO/EG Project Director, PTT Chemical 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



**Jean-Luc Daniel G. Pr  at**

Business Director  
*\*appointed on 1 September 2014*



**Mrs. Siriporn Wutthilaohaphan**

Operation Director  
*\*appointed on 1 December 2014*



**Mr. Marc E.J.G. Jacqmin**

Vinyls Business Director  
*\*resigned from the position in Vinythai  
on 17 November 2014*



**Mrs. Jamjuree Sirovetnukul**

Vice President Finance  
and Accounting



**Mr. Eric Jean Jacques Deruelle**

Senior Strategic Marketing & Business  
Development Department Manager

## Management Team



**Mr. Bruno van der Wielen**

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



**Jean-Luc Daniel G. Pr  at**

Business Director  
*\*appointed on 1 September 2014*



**Mrs. Siriporn Wutthilaohaphan**

Operation Director  
*\*appointed on 1 December 2014*



**Mr. Sompot Cheeranorawanich**

Vice President Corporate Affairs and  
Communications - Company Secretary



**Mrs. Jamjuree Sirovetnukul**

Vice President Finance  
and Accounting



**Mr. Eric Jean Jacques Deruelle**

Senior Strategic Marketing & Business  
Development Department Manager



# Management Team



**Mr. Bruno Van Parys**

Vice President ECH Business Manager



**Mr. Apichart Kijjaroenvisal**

Deputy Plant Manager



**Mr. Boonchana Mangkonkarn**

Assistant Vice President - Supply Chain



**Mrs. Sudarut Worasuwat**

Assistant Vice President Marketing and Sales-Vinyls



**Dr. Supachat Chairatanathavorn**

Internal Audit and Business Performance Improvement Department Manager



**Ms. Jirasiree Vorakanjana**

Human Resources and Administration Department Manager

**Mr. Marc E.J.G. Jacqmin**

Vinyls Business Director  
\*resigned from the position in Vinythai on 17 November 2014



## Mr. Bruno van der Wielen (Age 58)

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

### Certifications

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

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

### Main experience

- |                       |   |   |
|-----------------------|---|---|
| 1 May 2011- Present   | • Director, Managing Director and Member of Business Advisory Committee | • Vinythai Public Company Limited                 |
| 20 Jun 2013-Present   | • Chairman  | • Advanced Biochemical (Thailand) Company Limited |
| 12 Sep 2012-Present   | • Director  | • Vinythai Holding Pte. Ltd., Singapore           |
| 19 Apr 2012-Present   | • Director  | • Solvay Biochemicals (Taixing) Company Limited   |
| May 2011-Present      | • Director  | • Pimai Salt Company Limited                      |
| May 2011-Present      | • Director  | • Thai Refined Salt Company Limited               |
| May 2011- 19 Jun 2013 | • Director and Managing Director  | • Advanced Biochemical (Thailand) Company Limited |
| Jan-Apr 2011          | • Deputy Managing Director  | • Vinythai Public Company Limited                 |
| 2002-2010             | • S-PVC Business Manager  | • SolVin, Belgium                                 |
| 1999-2002             | • PVDC Business Manager   | • SolVin, Belgium                                 |
| 1996-1999             | • PVDC Business Manager   | • Solvay S.A, Belgium                             |
| 1993-1996             | • Engineering Compounds Business Manager                                | • Solvay S.A, Belgium                             |

## Mr. Jean-Luc Daniel G. Pr  at (Age 55)

Business Director

\*appointed on 1 September 2014

### Education

- Master's Degree in Chemical Engineering, Li  ge University, Belgium (1982)
- Executive Master in Management, Solvay Brussels School of Economics and Management (1998)
- Senior Executive Program (SEP76), London Business school, (2012)

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

### Main experience

- |                          |   |   |
|--------------------------|---|---|
| 1 Sep 2014 - Present     | • Business Director*                              | • Vinythai Public Company Limited                 |
| 20 Jun 2013 - Present    | • Director/ Managing Director                     | • Advanced Biochemical (Thailand) Company Limited |
| 1 Apr 2013 - 31 Aug 2014 | • Head of Biochemicals Business Unit              | • Solvay Chemical Shanghai (China)                |
| 1 Sep 2006 - 31 Mar 2013 | • Head of Precipitated Calcium Carbonate Business | • Solvay S.A. (Belgium)                           |
| 1 Mar 2003 - 31 Aug 2006 | • Commercial Director Benelux & Overseas Export   | • Solvay Chemicals International (Belgium)        |

## Mrs. Siriporn Wutthilaohaphan (Age 46)

Operation Director

*\*appointed on 1 December 2014*

### Education

- Bachelor in Chemical Engineering, King Mongkut's University of Technology Thonburi

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

### Main experience

1 Dec 2014 - Present	• Operation Director*	• Vinythai Public Company Limited
25 Dec 2014 - Present	• Director	• Solvay Biochemicals (Taixing) Company Limited
1 Dec 2014- Present	• Director	• Advanced Biochemical (Thailand) Company Limited
1 Apr 2011 - 30 Nov 2014	• Managing Director & Thailand Country General Manager	• Solvay Peroxythai Limited / Solvay Asia Pacific Company Limited
1 Jul 2010 - 30 Mar 2011	• Deputy Managing Director and Commercial Director	• Solvay Peroxythai Limited
2008 - 2009	• Assistant to Group CFO for Projects Management	• Solvay S.A., Belgium
2006 - 2007	• Assistant Vice President – Supply Chain	• Vinythai Public Company Limited

## Mr. Sompot Cheeranorawanich (Age 47)

Vice President Corporate Affairs and Communications – Company Secretary

### Education

- B.Sc. Mahidol University

### Certifications

- Certificate in Company Secretary Program (CSP), 2/2002, Thai Institute of Directors Association (IOD)
- Certificate in Directors Certification
- Program (DCP) Class 184/2014, Thai Institute of Directors (IOD)

**Proportion of shareholding (%)** 3,990 Shares (0.0%)

**Family's Relationship Management** none

### Main experience

1 Jan 2011 - Present	• Vice President Corporate Affairs and Communications – Company Secretary	• Vinythai Public Company Limited
24 Jul 2008 - Present	• Company Secretary	• Vinythai Public Company Limited
20 Jun 2013 - Present	• Director	• Advanced Biochemical (Thailand) Company Limited
1 Nov 2002 - 31 Dec 2010	• Assistant Vice President Corporate Affairs and Communication	• Vinythai Public Company Limited
1995 - 2004	• Occupational Health and Safety Management Representative, and Safety and Environment Department Manager	• Vinythai Public Company Limited
23 Feb 2010 - 19 Jun 2013	• Company Secretary	• Advanced Biochemical (Thailand) Company Limited
1 Oct 2009 - Present	• Vice Chairman	• Asia Pacific Vinyls Network (APVN)
21 Feb 2008 - Present	• Vice Chairman of Plastic Industry Club	• The Federal of Thai Industries (FTI)
22 Feb 2008 - Present	• Director of Petrochemical Industry Club	• The Federal of Thai Industries (FTI)
19 Feb 2004 - Present	• Director of Chemical Industry Club	• The Federal of Thai Industries (FTI)
22 Mar 2004 - Present	• Director of PTIT Standing Committee on Refining and Petrochemical Industry	• Petroleum Institute of Thailand (PTIT)
27 Mar 2008 - Present	• Vice Chairman	• Hazardous Substance Logistics Association (HASLA)
13 Oct 2003 - Present	• Vice Chairman	• Marine Science and Conservation Foundation (Vinythai Coral Foundation)

## Mrs. Jamjuree Sirovetnukul (Age 50)

Vice President Finance and Accounting

### Education

- Master's Degree in Finance, East Texas State University, Texas, USA
- Bachelor's Degree in Finance, Thammasat University
- Bachelor's Degree in Accounting, Sukkothai Thammathirat University.

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

### Main experience

1 Nov 2011 - Present	• Vice President Finance and Accounting	• Vinythai Public Company Limited
20 Jun 2013 - Present	• Director	• Advanced Biochemical (Thailand) Company Limited
12 Sep 2012 - Present	• Director / Managing Director	• Vinythai Holding Pte. Ltd.
3 Jul 2013 - Present	• Director	• Solvay Biochemicals (Taixing) Company Limited
8 Dec 2011 - Present	• Director	• Pimai Salt Company Limited
1 Jan. 2010 - 31 Oct 2011	• Director	• Solvay Asia Pacific Company Limited
1 Jun 2007 - 31 Dec 2010	• Chief Finance Officer/ 3S Asia Hub Shared Service Head	• Solvay (Thailand) Company Limited
1 Jun 2002 - 31 May 2007	• Chief Finance Officer / Head of Shared Service (Thailand)	• Lockton Insurance Brokers (Thailand) Company Limited
	• Finance and Accounting Director	

## Mr. Eric Jean Jacques Deruelle (Age 41)

Senior Strategic Marketing & Business Development Department Manager

### Education

- Bachelor's Degree Engineer – The Institut Catholique d'Arts et Metiers (I.C.A.M.) in Lille, France

**Proportion of shareholding (%)** none

**Family's Relationship Management** none

### Main experience

2013 - Present	• Senior Strategic Marketing & Business Development Department Manager	• Vinythai Public Company Limited, Thailand
2012-2013	• Managing Director	• Solvay Biochemicals (Taixing) Ltd., China
2007 - 2012	• Business Development Asia Pacific	• Solvay, Thailand
2005 - 2007	• Business Development Director	• Autoliv, Japan
2000 - 2005	• Program Director	• Inergy Automotive Systems, Japan
1999	• Process Project Manager	• Inergy Automotive Systems, France
1997 - 1998	• Production Director,	• F.E.E. Co. Ltd., Thailand
1996	• Maintenance Project Manager	• Foramer de Venezuela, Venezuela



Mr. Bruno Van Parys (Age 51)

Vice President ECH Business Manager

Education

- Master's Degree in Agricultural Engineering from Louvain-la-Neuve University, Belgium

Proportion of shareholding (%) none

Family's Relationship Management none

Main experience

- |                     |   |   |
|---------------------|---|---|
| Sep 2010 - present  | • Vice President ECH Business Manager                   | • Advanced Biochemical (Thailand) Company Limited |
| Aug 2005 - Aug 2010 | • European Sales & Marketing Manager Inorganic Products | • Solvay – GBU Chlor Chemicals                    |

Mr. Apichart Kijjaroenvisal (Age 48)

Deputy Plant Manager

Education

- Bachelor's degree in Engineering (Chemical Engineer), Chulalongkorn University

Proportion of shareholding (%) none

Family's Relationship Management none

Main experience

- |                |                                     |  |
|----------------|-------------------------------------|--|
| 2014 - present | • Deputy Plant Manager              | • Vinythai Plublic Company Limited               |
| 2009 - 2014    | • Senior ECH Department Manager     | • Vinythai Plublic Company Limited               |
| 2008 - 2009    | • Industrial Project Manager        | • Solvay Biochemicals (Thailand) Company Limited |
| 2002 - 2007    | • Principal Process Engineer        | • Solvin S.A., Belgium                           |
| 1997 - 2002    | • PVC Production Department Manager | • Vinythai Plublic Company Limited               |

Mr. Boonchana Mangkonkarn (Age 48)

Assistant Vice President - Supply Chain

Education

- Bachelor's Degree in Science, Chemical Technology/Chemical Engineering, Chulalongkorn University

Proportion of shareholding (%) none

Family's Relationship Management none

Main experience

- |                           |   |                                   |
|---------------------------|---|-----------------------------------|
| 01 Apr 2014 - present     | • Assistant Vice President - Supply Chain | • Vinythai Public Company Limited |
| 01 Jan 2010 - 31 Mar 2014 | • Senior Department Manager-Supply Chain  | • Vinythai Public Company Limited |

Mrs. Sudarut Worasuwat (Age 47)

Assistant Vice President Marketing & Sales - Vinyls

Education

- Bachelor's Degree in Chemical Engineering, Prince of Songkla University

Proportion of shareholding (%) none

Family's Relationship Management none

Main experience

- |                |   |                                   |
|----------------|---|-----------------------------------|
| 2013 - present | • Assistant Vice President Marketing & Sales – Vinyls | • Vinythai Public Company Limited |
| 2007 - 2013    | • PVC Sales Department Manager                        | • Vinythai Public Company Limited |
| 1991 - 2003    | • PVC Export Division Manager                         | • Vinythai Public Company Limited |

Mr. Supachat Chairatanathavorn (Age 54)

Internal Auditor and Business Performance Improvement Department Manager

Education

- Doctorat en Chimie (Chimie organique macromoleculaire), Universite du Maine, France
- Master of Sciences (Organic chemistry), Mahidol University
- Bachelor of Sciences (Second Class Honor), Khon Kaen University

Proportion of shareholding (%) none

Family's Relationship Management none

Main experience

1 May 2003 - Present	• Internal Audit Department Manager	• Vinythai Public Company Limited
1 Jan 1998 - 30 Apr 2003	• Laboratory & TQM / Business Performance Improvement Department Manager	• Vinythai Public Company Limited
1 Jan 1995 - 31 Dec 1997	• Laboratory & Environmental Department Manager	• Vinythai Public Company Limited
1 May 1991 - 31 Dec 1994	• Laboratory Department Manager	• Vinythai Public Company Limited
1990	• Lecturer, Faculty of Sciences	• Mahidol University

Ms. Jirasiree Vorakanjana (Age 41)

Human Resources and Administration Department Manager

Education

- Master's Degree in Public Administration (Executive Program), National Institute of Development and Administration
- Bachelor's Degree in Humanities, Chiang Mai University

Proportion of shareholding (%) none

Family's Relationship Management none

Main experience

Jan 1, 2012 - present	• Human Resources and Administration Department Manager	• Vinythai Public Company Limited
Jun, 2011 - Dec, 2011	• Business Performance Improvement Manager	• Vinythai Public Company Limited
Mar, 2010 - May, 2011	• Human Resources Manager	• Solvay Peroxythai / Solvay Asia Pacific
Sep, 2003 - Feb, 2010	• Personnel Division Manager	• Vinythai Public Company Limited
Jul, 2002 - Aug, 2003	• Senior Personnel Supervisor	• Vinythai Public Company Limited
Apr, 1999 - Jun, 2002	• Personnel Supervisor	• Vinythai Public Company Limited
Jan , 1997 - Mar, 1999	• Personnel Officer	• Vinythai Public Company Limited
May, 1996 - Jan, 1997	• Administrative Assistant	• Vinythai Public Company Limited

Mr. Marc E.J.G. Jacqmin (Age 52)

Vinyls Bussiness Director

*\*resigned from the positions in Vinythai on 17 November 2014*

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

Proportion of shareholding (%) none

Family's Relationship Management none

Main experience

1 Apr 2014 - 17 Nov 2014	•Vinyls Business Director*	• Vinythai Public Company Limited
1 Sep 2008 - 31 Mar 2014	• Plant Manager	• Vinythai Public Company Limited
3 Jul 2013 - 17 Nov 2014	• Director	• Solvay Biochemicals (Taixing) Limited, China
20 Jun 2013 - 17 Nov 2014	• Director	• Advanced Biochemical (Thailand) Company Limited
1 Jan 2011 - 17 Nov 2014	• Plant Manager	• Advanced Biochemical (Thailand) Company Limited
13 Jul 2012 - 17 Nov 2014	• Director	• Pimai Salt Co., Ltd.
1 Apr 2007- 30 Apr 2008	• VCM Production Manager	• SolvayS. A.
1 Jul 2005 - 31 Mar 2007	• DCE Service Manager	• SolvayS. A.
1 Apr 2000 - 30 Jun 2005	• H2O2 Production Unit Manager	• SolvayS. A.



# Management Structure

The Board of Directors is considered the hearth of good corporate governance. While it is true that the shareholders own the Company, the law has prescribed that the authority and the duty of operating the Company's business are those of the Board of Directors. In turn, the Board of Directors shall manage and carry on the business of the Company in accordance with the law, objects, articles of association and the resolutions of the shareholders' meeting and the directors shall do so in good faith and with a view to preserving the interests of the Company.

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

## Board of Directors Structure

### STRUCTURE OF THE BOARD OF DIRECTORS

The Board of Directors comprises at least 10 directors, not less than half of whom must have residence in Thailand.

It is the policy of the Board of Directors that the Chairman and Chief Executive Officer or Managing Director should not be the same person. This is so as to ensure clarity of responsibilities for issuing governance policy and undertaking the Company's management.

The Board of Directors is responsible to shareholders, with each director representing all shareholders and participating in the corporate governance of the Company with independence and neutrality, for the benefit of all shareholders and other stakeholders.



The Board of Directors sets its own appropriate membership numbers and composition, including a proportion of independent directors that is equal to at least one-third of the total board size and numbering not less than three positions. At least one Independent Director should be knowledgeable in the matter of reviewing the Company's financial statements.

The Directors may not be directors of more than five listed companies on the Stock Exchange of Thailand and must notify the Board of Directors of their positions for acknowledgement and approval.

### CHARACTERISTICS AND QUALIFICATIONS OF DIRECTORS

- Directors must be persons who have knowledge and experience that are beneficial to the Company's business and must understand and be interested in the Company's business.



- Directors must be qualified in accordance with Section 68 of the Public Company Limited Act, B.E. 2535.

- Directors must be recruited and approved by the Board of Directors.

- No Director shall engage in any business of the same nature as or coinciding with the business of the Company, either for their own benefits or for the benefits of others, unless they have notified the General Meeting of Shareholders prior to their appointment as director.

- Directors shall act in good faith, ethically and honestly.

- Directors shall be responsible and accept the obligation to fully perform their duties for the Company and interested parties, ethically and legally.

- Directors must use independent discretion that shareholders can trust.

- Directors must devote time and pay attention to the Company's affairs and regularly participate in the Company's meetings.

- Directors must comply with corporate governance guidelines set by relevant agencies.

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 its 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.



As of 31 December 2014, the Board of Directors comprises 12 directors as follows:

1. Mr. Vincent De Cuyper <sup>1/</sup>	Chairman of the Board of Directors Chairman of the Nomination and Remuneration Committee
2. Mr. Supattanapong Punmeechaow	Vice Chairman of the Board of Directors Member to the Nomination and Remuneration Committee
3. Mr. Pipop Pruecksamars	Independent Director Chairman of the Audit Committee Member to the Nomination and Remuneration Committee
4. Mr. Bruno van der Wielen	Director Managing Director Member to the Business Advisory Committee
5. Mr. Pote Videtyontrakich <sup>2/</sup>	Independent Director Member to the Audit Committee.
6. Mr. Vincenzo Morici <sup>1/</sup>	Director Member to the Business Advisory Committee
7. Mrs. Puntip Oungpasuk	Director Chairperson of the Business Advisory Committee
8. Associate Professor Dr. Danuja Kunpanitchakit <sup>2/</sup>	Independent Director Member to the Audit Committee
9. Mrs. Vallapa Assakul	Independent Director
10. Mr. Andre R. van der Heyden	Independent Director
11. Mr. Martin Laudenbach <sup>1/</sup>	Director
12. Mr. Richard Verlaque <sup>1/</sup>	Director

Note: <sup>1/</sup> director whose residence is outside the kingdom.

<sup>2/</sup> declared as audit committee member with adequate expertise and experience to reliably review the accuracy and credibility of the Company's financial statements.



The directors authorized to sign on behalf of the Company are Mr. Vincenzo Morici or Mr. Bruno Marie Joseph Van der Wielen or Mr. Martin Laudenbach and Mr. Richard Marcel Auguste Verlaque or Mr. Vincent De Cuyper or any of these five persons can jointly sign with Mr. Supattanapong Punmeechaow or Mrs. Puntip Oungpasuk totalling two persons with the Company's Seal affixed.

## MEETING OF THE BOARD OF DIRECTORS

Meetings of the Board of Directors shall be held at least once every three months.

Not less than fifteen days prior to the meeting date, notice of the Board of Directors' meeting shall be given to each director or director's representative. The Company Secretary is responsible for ensuring that the Board of Directors receives adequate and timely information. The Company Secretary is responsible for ensuring that all directors receive relevant information at least seven days in advance in order that they may have enough time to study the materials, consider the matters raised and reach appropriate decisions to be expressed at the applicable Board of Directors' meeting.

At all meetings of the Board of Directors, at least one half of the total number of directors in office shall constitute a quorum.

Directors who have an interest in agenda items under consideration will be considered as non-voting and shall not participate in that part of the meeting.

Directors can access and request from the management information regarding the Company's operations. They can also request an opinion from the Company's independent external advisors at the Company's expense.

The Chairman of the Board shall approve the matters to be included in the agenda in consultation with the Company Secretary. The Company Secretary will consider the directors' request to add other important matters for consideration at the next Board of Directors' Meeting.

The Chairman is responsible for allocating sufficient time for management to present sufficient information for the Board of Directors to fully discuss important issues.

The Chairman of the meeting shall highlight items on the agenda for consideration by the directors and give necessary support and opportunity for each director to share his/her opinion in order to process ideas and reach a conclusive resolution by 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.

The record of Board of Directors meeting and committee meeting attendance for 2014 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 3 times/year
1. Mr. Jacques van Rijkvorse <sup>(1), (2)</sup>	4/4	-	-	3/3
2. Mr. Vincent De Cuyper <sup>(1), (3), (4)</sup>	3/3	-	-	-
3. Mr. Bruno van der Wielen	5/5	5/5	-	-
4. Mr. Pote Videtyontrakich	4/5	-	4/5	-
5. Mrs. Puntip Oungpasuk	4/5	5/5	-	-
6. Mr. Pipop Pruecksamars	5/5	-	5/5	3/3
7. Dr. Dhanes Charoensupaya <sup>(5)</sup>	2/2	-	-	-
8. Mr. Vincenzo Morici <sup>(1)</sup>	4/5	4/5	-	-
9. Mr. Andre R. van der Heyden	3/5	-	-	-
10. Associate Professor Dr. Danuja Kunpanitchakit	4/5	-	5/5	-
11. Mrs. Vallapa Assakul	3/5	-	-	-
12. Mr. Bowon Vongsinudom <sup>(6)</sup>	3/4	-	-	1/2
13. Mr. Supattanapong Punmeechaow <sup>(7)</sup>	1/1	-	-	1/1
14. Mr. Michel YBERT <sup>(8)</sup>	2/2	-	-	-

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 3 times/year
15. Mrs. Quitterie Florence Marie de Pelleport Burete Dupontreue <sup>(9)</sup>	2/3	-	-	-
16. Mr. Martin Laudenbach <sup>(1), (10)</sup>	2/2	-	-	-
17. Mr. Richard Verlaque <sup>(1), (11)</sup>	2/2	-	-	-

<sup>(1)</sup> Directors whose residence is outside the Kingdom.  
<sup>(2)</sup> Resigned from the Company's director, Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee effective from 19 September 2014; therefore the number of directors' meetings are 4 times/year.  
<sup>(3)</sup> Appointed as the Company's Director effective from 29 April 2014; therefore the number of directors' meetings are 3 times/year.  
<sup>(4)</sup> Appointed as Company's director, Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee effective from 20 September 2014; therefore the number of directors' meetings are 3 times/year.  
<sup>(5)</sup> Resigned from the Company's director effective from 1 June 2014; therefore the number of directors' meetings are 2 times/year.  
<sup>(6)</sup> Resigned from the Company's director, Vice Chairman of the Board of Director and member the Nomination and Remuneration Committee effective from 15 November 2014; therefore the number of directors' meetings are 4 times/year.  
<sup>(7)</sup> Appointed as the Company's director, Vice Chairman of the Board of Director and member the Nomination and Remuneration Committee effective from 27 November 2014; therefore the number of directors' meeting is 1 times/year.  
<sup>(8)</sup> Resigned from the Company's director effective from 16 June 2014; therefore the number of directors' meetings are 2 times/year.  
<sup>(9)</sup> Resigned from the Company's director effective from 15 September 2014; therefore the number of directors' meetings are 3 times/year.  
<sup>(10)</sup> Appointed as the Company's director effective from 16 September 2014; therefore the number of directors' meetings are 2 times/year.  
<sup>(11)</sup> Appointed as the Company's director effective from 16 September 2014; therefore the number of directors' meetings are 2 times/year.  
- Current Business Advisory Committee members are directors number 3, 5, and 8.  
- Current Audit Committee members are directors number 4, 6 and 10  
- Current Nomination and Remuneration Committee members are directors number 2, 6, and 13

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

Committees

The Board of Directors has set up 3 committees to strengthen good corporate governance and support its administration as follows:

- (1) The Business Advisory Committee
- (2) The Audit Committee
- (3) The Nomination and Remuneration Committee

Company Secretary

Mr. Sompot Cheeranorawanich, Vice President – Corporate Affairs and Communications has been appointed as the Company Secretary effective from July 24, 2008.

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 2014, 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
• 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 2014, the shareholders approved remuneration for the Board of Directors in the shareholders' meeting, including bonus payments based on the operational results for 2013. The total remuneration for the Board of Directors amounted to 7,532,151 Baht, inclusive of a total bonus payment of 711,758 Baht. Details are as follows:



Unit : Baht/year

Name	Position	Remuneration	Bonus paid in 2014	Total Remuneration and Bonus
1. Mr. Jacques van Rijckevorsel <sup>(1)</sup>	Chairman of the Board of Directors, Chairman of the Nomination and Remuneration Committee	604,333	58,615	662,948
2. Mr. Bruno van der Wielen	Director, Managing Director, Member to the Business Advisory Committee	720,000	50,242	770,242
3. Mr. Pote Videtyontrakich	Independent Director, Member to the Audit Committee	720,000	50,242	770,242
4. Mrs. Puntip Oungpasuk <sup>@</sup>	Director, Chairperson of the Business Advisory Committee *	780,000	50,242	830,242
5. Mr. Pipop Pruecksamars	Independent Director, Chairman of the Audit Committee, Member to the Nomination and Remuneration Committee	780,000	50,242	830,242
6. Mr. Vincenzo Morici	Director, Member to the Business Advisory Committee	720,000	50,242	770,242
7. Mr. Andre R. van der Heyden	Independent Director	360,000	50,242	410,242
8. Associate Professor Dr. Danuja Kunpanitchakit	Independent Director Member to the Audit Committee	720,000	50,242	770,242
9. Mrs. Vallapa Assakul	Independent Director	360,000	50,242	410,242
10. Dr. Dhanes Charoensupaya <sup>@, (2)</sup>	Director	150,000	50,242	200,242
11. Mrs. Quitterie Dupontreue de Pelleport <sup>(3)</sup>	Director	255,000	33,495	288,495
12. Mr. Michel YBERT <sup>(4)</sup>	Director	195,484	33,495	228,979
13. Mr. Bowon Vongsinudom <sup>@, (5)</sup>	Vice Chairman of the Board of Directors, Member to the Nomination and Remuneration Committee	525,000	12,560	537,560

Unit : Baht/year

Name	Position	Remuneration	Bonus paid in 2014	Total Remuneration
Directors who were appointed during 2014				
14. Mr. Vincent De Cuyper <sup>(6)</sup>	Chairman of the Board of Directors, Chairman of the Nomination and Remuneration Committee	375,667	-	375,667
15. Mr. Supattanapong Punmeechaow <sup>(7)</sup>	Vice Chairman of the Board of Directors, Member to the Nomination and Remuneration Committee	56,667	-	56,667
16. Mr. Martin Laudenbach <sup>(8)</sup>	Director	105,000	-	105,000
17. Mr. Richard Verlaque <sup>(9)</sup>	Director	105,000	-	105,000
Directors who resigned during 2013				
18. Mr. Roger Lester Kearn <sup>(10)</sup>	Chairman of the Board of Directors, Chairman of the Nomination and Remuneration Committee	-	20,934	20,934
19. Mr. Anon Sirisaengthaksin <sup>(11)</sup>	Vice Chairman of the Board of Directors, Member to the Nomination and Remuneration Committee	-	37,681	37,681
20. Mr. Gilles Madjarian <sup>(12)</sup>	Director	-	37,681	37,681
21. Mr. Dominique Dussard <sup>(13)</sup>	Director	-	8,374	8,374
22. Mr. Andrew Lenard Cumming <sup>(14)</sup>	Director	-	16,747	16,747
Grand Total		7,532,151	711,785	8,243,909

<sup>@</sup> Director's bonus was paid directly to PTT Global Chemical Plc., to be in line with Remuneration Policy of PTT Global Chemical Plc.

<sup>(1)</sup> Resigned from the Company's director, Chairman of the Board of Director and Chairman of the Nomination and Remuneration Committee effective from 19 September 2014.

<sup>(2)</sup> Resign from the Company's director effective from 1 June 2014.

<sup>(3)</sup> Resign from the Company's director effective from 15 September 2014.

<sup>(4)</sup> Resigned from the Company's director effective from 16 July 2014.

<sup>(5)</sup> Resigned from the Company's director, Vice Chairman of the Board of Director and Chairman of the Nomination and Remuneration Committee effective from 15 November 2014.

<sup>(6)</sup> Appointed as the Company's director, Chairman of the Board of Director and member to the Nomination and Remuneration Committee effective from 20 September 2014.

<sup>(7)</sup> Appointed as the Company's director, Vice Chairman of the Board of Director and member to the Nomination and Remuneration Committee effective from 27 November 2014.

<sup>(8)</sup> Appointed as the Company's director effective from 16 September 2014.

<sup>(9)</sup> Appointed as the Company's director effective from 16 September 2014.

<sup>(10)</sup> Resigned from the Company's director, Chairman of the Board of Director and member to the Nomination and Remuneration Committee effective from 2 May 2013.

<sup>(11)</sup> Resigned from the Company's director, Vice Chairman of the Board of Director and member to the Nomination and Remuneration Committee effective from 30 September 2013.

<sup>(12)</sup> Resigned from the Company's director effective from 3 October 2013.

<sup>(13)</sup> Resigned from the Company's director effective from 21 February 2013.

<sup>(14)</sup> Resigned from the Company's director effective from 2 May 2013.

In addition to above, as resolved by the Nomination and 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 2014 was 290,242 Baht, comprising total annual remuneration of 240,000 Baht and annual bonus payment of 50,242 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. The total 2014 remuneration for five members of the Steering Committee was 46,925,883.03 Baht, such remuneration comprised salary and bonus.

#### Remuneration (other)

The Company provides pension support to employees by contributing to the provident fund at a level of 5 to 8% of basis salary.



# Corporate Governance

## INTRODUCTION

Vinythai Public Company Limited, with the guidance and support from its shareholders, has always been committed to good corporate governance principles since its inception. Over the years, each successive Board of Directors and management teams has consistently adopted business practices which are ethical and fair to all stakeholders, and corporate values based on social responsibility.

To ensure sustainability of Vinythai's good corporate governance practice in ever changing business environment and management, the Board of Directors has therefore deemed it appropriate to compile Corporate Governance Charter for reference. This Corporate Governance Charter is a system which provides for structures and procedures of relationship among the Board of Directors, the management, the employees, and the shareholders. It begins with guiding principles which include vision, mission, values and corporate governance policy, followed by the Board of Directors which is the main proponent of corporate oversight. It gives practical guidelines concerning good corporate governance which are in lined with international guidelines as recommended by the Stock Exchange of Thailand.

Vinythai believes that the effective application of principles of good corporate governance to corporate management will not only enhance the short-term and long-term competitiveness of the Company but also increase the confidence that investors, financial institutions, and business allies have in doing business with Vinythai, and will raise Vinythai's value for shareholders. The benefit to be obtained thereby is one in which the interests of all stakeholders, the society and the environment, will be balanced and ever sustained.

Directors and the management shall serve as role models where morals and compliance to the Vinythai's good corporate governance policy and related code of conduct are concerned. They shall promote the culture of good corporate governance, responsibilities to stakeholders and ensure that human rights, consumer rights and labor rights are taken in to consideration in the conduct of business. Furthermore, they shall arrange for the implementation of audit, monitoring, evaluation and review systems in order to ensure that the good corporate governance policy is fully and sustainably observed by all personnel of Vinythai Public Company Limited.

(Mr. Jacques van Rijckevorsel)  
Chairman of the Board of Directors  
21 February 2014



## Corporate Governance Policy

The Board of Directors realize 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). The Company creates and maintains awareness of good corporate governance practices and business Conduct among its management and staff at all levels.

Given Vinythai's commitment to closely adhering to the principles of good corporate governance, in 2014, the Company received "Very Good" corporate governance recognition level evaluated by the Thai IOD. In the evaluation, Vinythai achieved the "Excellent" level for its recognition in the "Right of Shareholders" and "Equitable Treatment of Shareholders", the "Very good" level in "Disclosure and Transparency", and the "Good" level in "Role of Stakeholders" and "Board Responsibilities". In the evaluation of the Company's arrangement of its Annual General Meeting of Shareholders 2014 by the Thai Investors Association, Vinythai ranked on the list of "Excellent" listed companies.

To ensure that Vinythai's businesses are conducted responsibly, ethically, fairly, transparently and accountably, with a clear focus on the creation of utmost benefits for the shareholders and stakeholders, towards mutual trust and sustainable growth, the Board of Directors has established the good corporate governance policy for all directors, managers, and employees to observe in their discharge of duties as follows:

(1) The Board of Directors shall observe the international guidelines and consistently improve on the good corporate governance in accordance with these international standards in matters relating to consideration of the rights of shareholders, the equitable treatment of shareholders, the responsibilities to stakeholders, the disclosure of information and transparency, and the responsibilities of the Board of Directors.

(2) The Board of Directors, the managers and all employees shall be determined in their observance of the core of good corporate governance principles. Additionally, they need to ensure strict compliance with the laws and relevant regulations in all countries in which the company invests.

(3) The Board of Directors shall arrange for an administrative structure with fair relationship between the Board of Directors, the managers and the shareholders. They shall play a vital role in the determination of visions, strategies, policies and key plans. They shall ensure that a performance monitoring and evaluation system is in place, that risks are efficiently managed, that they are independent, and that they are responsible for their discharge of duties in accordance with the good corporate governance principles.

The Company's directors, managements and employees have complied with the afore-stated policy. The Company also communicates

the policy via its website ([www.vinythai.co.th](http://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 2014, the Board of Directors approved Corporate Governance Charter which includes corporate governance policy, business conduct 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.

Moreover, the company has clearly demonstrated, in 2014, its will to conduct business in accordance with the principles of Corporate Governance and Code of Conduct of the Company as follows:

Appointed Senior Legal and Compliance Manager as the Corporate Governance Officer and Head of Compliance Unit to ensure that the Company's activities are aligned with rules, regulations and applicable laws in order to mitigate compliance risk.

Delivered the Charter of Corporate Governance and Code of Conduct to directors, management and employees for acknowledgment and practice.

Communicated and published the Corporate Governance Chartered and Code of Conduct through the company's website:

<http://www.vinythai.co.th/en/binaries/VNT-CG-Handbook-EN-040814-195018.pdf>

Provided training to all employees to create awareness on policies and ensure compliance with laws and regulations.

Provided activities to communicate to all employees for better understanding about the practice of Corporate Governance and Code of Conduct.

## 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.

As of December 2014, the Business Advisory Committee comprises the following members:

1. Mrs. Puntip Oungpasuk  
Chairperson
2. Mr. Vincenzo Morici  
Member
3. Mr. Bruno van der Wielen  
Member

Mrs. Jamjuree Sirovetnukul, Vice President Finance and Accounting served as Secretary to the Business Advisory Committee.

The Business Advisory Committee has the following authority and duties:

### Business Roles

- Monitor the effective operation of the Company according to the 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 the corporate target achievements and identify the 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 the 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 the 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



as the Chief Executive Officer or Managing Director. The Business Advisory Committee comprises at least 3 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 appointed 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 2014, the Audit Committee comprises the following members:

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

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

All members of the committee are evidently knowledgeable and competent persons with appropriate experience to perform their duties. Mr. Pote Videtyontrakich and Assoc. Prof. Dr. Danuja Kunpanitchakit, committee members, possess adequate expertise and experience to review the reliability and creditability of the financial statements. Details of their qualifications and experience are disclosed in the Company's Annual Report and Form 56-1.

According to the Audit Committee Charter, the term of office of the Audit Committee is 3 years. When an Audit Committee retires by rotation it may be re-appointed 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 in charge of 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.
  - Oversee the Company's practices on Corporate Governance and Code of Conduct
  - 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 as
    - 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 2014, 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 2014 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 2014, the Committee comprises of existing members as follows:

1. Mr. Vincent De Cuyper  
Chairman
2. Mr. Supattanapong Punmeechaow  
Member
3. Mr. Pipop Pruecksamars  
Member

Mr.Sompot Cheeranorawanich, Vice President Corporate Affairs and Communications-Company Secretary served as Secretary to the Nomination and Remuneration Committee.

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 re-appointed 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.

### Nomination and Appointment of Directors and Top Management

#### 1 Independent Directors

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

1. holding shares not exceeding one percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
2. neither being nor having been an executive director, employee, staff, or advisor

who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of application filing with the Office;

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

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

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

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

of the professional advisor unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;

7. not being a director who has been appointed as a representative of the company's director, major 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.

#### 2 Directors and Top Management

The Nomination and Remuneration Committee is responsible for considering candidates deserve a nomination as new directors, Chief Executive Officer or Managing Director, including consideration and advising on the development of various aspects of the Vice President level and above. The Rules and Procedures for the Nomination is established the best criteria and transparency to be presented to the Board of Directors and/or the shareholders' meeting for approval.







#### **Rules and Procedures for the Nomination of Director(s), Independent Director(s) and Audit Committee Member(s)**

1. In case of any vacancy for a Director, Independent Director or Audit Committee Member, the Nomination and Remuneration Committee shall nominate a qualified candidate who does not possess any prohibited characteristics to serve as Director, Independent Director or Audit Committee Member and propose to the Board of Directors' Meeting for consideration and approval of the appointment.
2. Any director has the right to propose the name of a qualified candidate to the Nomination and Remuneration Committee within the timeframe for consideration, including preliminary qualification check, before proposing such person to the Board of Directors' Meeting for consideration and approval of appointment.
3. Any major shareholder has the right to propose the name of a qualified candidate to the Nomination and Remuneration Committee within the allotted timeframe for consideration, including preliminary qualification check, before proposing the person to the Board of Directors' Meeting for consideration and approval of appointment.
4. The Nomination and Remuneration Committee will announce the timeframe for

proposing the name of a qualified candidate who does not possess any prohibited characteristics to serve as a Director, Independent Director or Audit Committee Member.

5. Any time the Nomination and Remuneration Committee identifies a qualified candidate or candidates not possessing any prohibited characteristics, to serve as a Director, Independent Director or Audit Committee Member, the Nomination and Remuneration Committee shall forward the resume(s) of the proposed qualified candidate(s) to the Company Secretary to conduct a preliminary check of the candidate(s) qualifications.
6. Once the Company Secretary has checked the proposed candidate(s) qualifications, the Company Secretary will prepare a summary report and propose the candidate to the Nomination and Remuneration Committee for its consideration and resolution. If it agrees with the proposal, the Nomination and Remuneration Committee will propose the candidate for consideration and approval by the Board of Directors' Meeting.
7. Once the Board of Directors' Meeting has approved the appointment, the Company Secretary will be responsible for disclosure to or registration with the Stock Exchange of Thailand (SET), Securities Exchange Commission

(SEC), Ministry of Commerce and/or any related organizations. The Company Secretary will compose a profile of the director in compliance with the relevant rules and/or laws.

8. In case of any vacancies for Directors, Independent Directors or Audit Committee Members arising otherwise than by rotation, and the remaining term of office of such Directors, Independent Directors and Audit Committee Members being less than two months, the Board of Directors' Meeting will propose replacement candidate(s) to the Shareholders' Meeting for consideration and approval.

Once the Shareholders' Meeting has approved the replacement, the Company Secretary will be responsible for disclosure to or registration with the SET, SEC, Ministry of Commerce and/or any related organizations. The Company Secretary will be responsible for composing a profile of the director in compliance with the relevant rules and/or laws.

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 of the company 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.

In addition, the Vinythai Board has directed several important policies. of the subsidiaries such as Management policy, Financial Accounting Policies Management policy on Safety, Health and Environment & CSR policy, HR management policies. It also ensures that those policies are covers other important Is consistent with the requirements





and regulations of the Securities Exchange of Thailand and related laws.

#### **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 Conduct.

In addition, the Company has established policy about the protection of company 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 Company 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. As such, the IT system prevents the accessibility to the Company's confidential and important information from external parties, and gives 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 3,950,000.

##### **(2) Non-Audit Fee**

The Company and all subsidiaries paid the non-audit fee for corporate income tax review to the auditor in the past fiscal year in the amount of THB 200,000.

#### **Compliance with good corporate governance principles in other matters**

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

##### **1. Rights of Shareholders**

The 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 board members and approve directors' remuneration; the right to receive dividends; the right to express opinions freely, 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 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 February 21, 2014 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 2014, the Annual Ordinary General Meeting of Shareholders was duly held on April 29, 2014. Shareholders presenting either in person or by proxy accounted for 88.12% of the total number of paid-up capital of 1,185,193,444 shares.

- In 2014, 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 re-appointed 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 25 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 39 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 3 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 26 November 2013 to 30 January 2014. 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 2014 shareholders' meeting. For the upcoming 2015 shareholders' meeting, the Company allowed shareholders to exercise such right from 27 November 2014 to 30 January 2015. 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](http://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 participating in the meeting included the Chairman of the Board, the Managing Director, Chairman of the Audit Committee, Chairperson of the Business Advisory Committee, independent director and other Board members totaling 9 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 provide 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 and 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 2014 Annual Ordinary General Meeting of Shareholders, shareholders representing 7,425,300 shares assigned proxy rights to the independent director.

- Considering the supervision of the utilization of inside information, as stipulated in its Code of Conduct, 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 Conduct 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

Vinythai drives the sustainable growth of the Company and creates continuous profits by conducting business with care and transparency, so as to generate competitive, long-term value for shareholders.

#### Board of Directors and Management

The Company's Board of Directors and Management are aware of their rights, exercise their duties within frameworks and models defined by the Company, and realize the rights to equity and fairness of all stakeholders.

#### Employees

The Company realizes the value of every employee and enables its employees to have pride in the organization by providing working environments designed to maximize participation and opportunities for career advancement. The Company encourages employees to develop their ability to thoroughly and continually create value and maintain business excellence by:

- Providing training and employee development opportunities at all levels. Employees are encouraged to develop thorough knowledge and competencies so as to continuously upgrade both the ability of the organization and its capacity in each work area.
- Providing employees with opportunities to comment so as to promote two-way communications and make employees proud to work for the organization.
- Providing suitable welfare for all levels of employees.
- Focusing on health, safety and work environment.

#### Customers

The Company is committed to customer service with equality and fairness based on strict compliance with its guidelines and to providing quality and reliable services consistent with its standards. The Company also assists customers by providing advice, always treats them courteously and acts promptly to determine causes of potential problems and provide solutions, all without revealing customers' confidential information except as prescribed by law.

#### Creditors

The Company fully complies with conditions of loans and contracts agreed with its various creditor groups so as to maintain its reputation and credibility.

#### Business Partners

The Company obliges directors, executives and employees involved in leasing and hire

purchase or selling property or goods or services of all kinds to act strictly in the Company's best interests based on accurate, actual information that does not mislead lessors, leaseholders, buyers or sellers of assets, products or services with information that is incomplete or insufficiently accurate. Involved executives and employees do not accept gifts or any other remuneration unless it is a traditional practice, in which cases such gifts or remuneration should not be of such high value as to invite censure or prompt special consideration in the future.

#### Business Alliances

The Company is committed to compliance with agreements made with its business partners in a manner that is mutually beneficial to the overall business.

#### Competitors

The Company supports and encourages free and fair competition, always behaving in accordance with accepted rules of etiquette and good competition within the framework of the law.

#### Community, Society and Environment

The Company conducts itself as a good corporate citizen and operates its business in accordance with its well-recognized duties and responsibilities to the community, society and the environment.

In addition, the Company is fully conscious of its responsibilities to the Thai society and societies of host countries, with its prime concern to develop and strengthen communities towards sustainable self-sufficiency resulting in economic prosperity and social harmony throughout the country. The Company encourages its employees to be aware of their social responsibilities in both their work and daily lives, including:

- Creating business practices and implementing activities that are responsible and beneficial to society, both in the short and long term, and focusing on business transactions with





trade partners who share common intentions regarding social and environmental responsibility.

- Supporting learning and skills development among youths and the public and promoting awareness of natural resource and environment preservation in communities and Thai society.
- Providing correct information, creating understanding, and listening to problems and information about impacts on surrounding communities with a view to implementing appropriate solutions, all based on the principle of co-existence between the Company's plants and communities for mutual benefit and without conflict.
- Supporting beneficial activities, especially in areas where the Company's businesses are located, taking into consideration suitability and providing sustainable benefits to society and communities.
- Supporting public activities and national development policy for the country's benefit as a whole.
- Considering how to utilize natural resources with minimum impact on society, the environment and quality of life.

#### Public Sectors

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



#### Suggestions and / or Complaints

To improve the Company's services, customers, employees and any person can make recommendations or comments or complaints related to the Company through the following:

- Audit Committee, [www.vinythai.co.th](http://www.vinythai.co.th)
- The Company's website or [www.vinythai.co.th](http://www.vinythai.co.th)

#### 4. Disclosure and Transparency

The Company is committed to providing equal treatment to shareholders, financial institutions, securities companies, investors and others who use financial information, with emphasis on open, accurate, complete and timely data that does not discriminate either positively or negatively. However, the Company realizes the need to keep secret certain vital business information, including its operational strategies. Disclosure is governed by the relevant rules and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission of Thailand.

Disclosure of information includes but is not limited to annual disclosures of information (Form 56-1), the Company's annual report (Form 56-2), quarterly reports, any minutes of meeting, news, press releases, letters to shareholders, information on the Company's website, information provided through various media, and interviews with the media and press conferences, etc.

#### • Disclose and Transparency

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.

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.

#### • Policy to report the shareholding and transactions of company shares to Board of Directors

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 holding of the Company's shares by the Director and Management as of 31 December 2014 and changes from the past year is as follows:*



Common Shares

Name	Title	No. of Shares 31 December 2013	No. of Shares 31 December 2014	Change
1. Mrs. Puntip Oungpasuk	Director, Chairperson 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

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.

Investor Relations

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 2014, the Company recorded 5 visits by investors and analysts as follows:

Type of Visit	No. of visits	No. of companies
One-on-One Meeting	3	3
Group Analyst Meeting	2	2

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

Whistleblowing and Whistleblower Protection Measures

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: <http://www.vinythai.co.th/en/contacts/index.html>

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.

Policy for prevention of software copyrights violations

The company has the policy on prevention of software copyrights violations, the Company also formulated guidelines to which its employees must strictly adhere. The guidelines include abuse



of company’s computer and IT system, such as, store and/or use illegal software on company’s computer. In event of violations of the mentioned policy, an investigation shall be conducted as quickly as possible. An employee found guilty of such conduct is subject to the Company’s disciplinary.

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. Qualifications and experiences of the Board of Directors are disclosed in the Annual Report and the Form 56-1, which were posted on the Company’s website. 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 5 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. His personal record and work experiences are disclosed in the Form 56-1. According to the above-mentioned Act, the Company Secretary is in charge of preparing and maintaining a register of directors, issuing notices calling directors' meeting, taking and issuing minutes of Board of Directors meetings, coordinating and issuing the Company's annual report, issuing notices calling shareholders' meetings, taking and issuing minutes of shareholders' meeting, including keeping a report on interest filed by a director or executive of the Company.

#### **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 Conduct. 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. In additional,

the company has improved the Charter on Corporate Governance and Code of Conduct in 2014.

(see the details at : <http://www.vinythai.co.th/en/binaries/VNT-CG-Handbook-EN-040814-195018.pdf> & [http://www.vinythai.co.th/en/binaries/CG\\_code\\_of\\_conduct\\_handbook\\_EN-190696.pdf](http://www.vinythai.co.th/en/binaries/CG_code_of_conduct_handbook_EN-190696.pdf))

#### **The Board of Directors takes overall responsibility for the following:**

- 1) Endorse the vision, goals and strategies of the Company, including risk policies, business plans & annual budgets, monitor the Company's operations and approve major investments, takeovers and sales of Company businesses.
- 2) The Board of Directors shall manage and carry on the business of the Company in accordance with the law, the Company's objectives and articles of association and resolutions of shareholders' meetings. Moreover, directors shall do so in good faith and consistent with the best interests of the Company and shareholders.
- 3) Supervise and monitor activities of the Company's management to ensure that their performance is in line with established policy in accordance with good corporate governance and so as to add economic value to the Company and increase wealth for shareholders.
- 4) Monitor the operation of the Company at any time with cognizance of relevant laws and contract terms as they relate to the Company and require management to report its performance and other important matters to each Board of Directors' meeting, thereby effectively improving the Company's operation.
- 5) Provide accounting systems, financial reporting, internal controls and effective and credible internal audits.
- 6) Control and oversee management treatment of all interested parties to ensure that they are ethical and equitable.
- 7) Evaluate the Company's success in order to determine bonuses and rates of annual salary increases within the Group.

8) Play a key role in risk management matters so as to establish and maintain guidelines and measures to ensure adequate risk management and regular monitoring.

9) Independent directors and other outside directors are prepared to use their discretion in independently considering issues pertaining to strategic management of resources, appointment of directors and setting operational standards, and are ready to challenge the actions of directors and other management figures in cases of conflicting opinions as they affect the equitable treatment of all shareholders.

10) If necessary, the Board of Directors shall enlist the services of external professional advisors at the Company's expense.

11) Appoint a Company Secretary to assist the Board of Directors with various activities, including Board of Directors' meetings and shareholders' meetings, and regularly advise the Board and the Company on their conduct and correct operations according to laws and relevant regulations. The Company Secretary will also ensure that the Directors and the Company disclose information correctly and transparently.

12) Provide provisions pertaining to business Conduct, director Conduct, executive Conduct, and employee Conduct to be implemented in-house.

13) Suspend trading at least one month prior to announcements of financial news and for at least three days after announcement of financial statements.

14) Report the securities holdings of their spouses and minors to each Board of Directors' meeting and notify the Company without delay in the event of an interest, whether directly or indirectly held, arising in any contract made within the Company's fiscal year, or if holding shares or debentures in the Company and/or the Company's subsidiaries.

The Company introduced a Code of Conduct 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 Conduct 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 Directors 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.

Vinythai 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. 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 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 Board of Directors recognizes the importance of a self-evaluate and a constant improvement in its working performance. Therefore, the company conducted a self-assessment for all of the Board's members to evaluate their performance in accordance with the principles of Corporate Governance. The process and criteria of the self-assessment are mentioned here under.

#### **The process of Board of Directors self-assessment.**

1. The Nomination and Remuneration Committee reviewed the assessment form for its accuracy and completeness as determined by the

Principles of Corporate Governance.

2. The Company Secretary summarized the results of the assessment.

3. The Company Secretary reported the assessment resulted to the Board of Directors as reference for performance improvement.

4. The Company Secretary submitted the assessment report to the Board of Director.

#### **The self-assessment has generally been taken in 6 main criteria;**

1. Structure and qualifications of the Board of Director
2. Roles and responsibilities of the Board of Director
3. The Board of Director meetings
4. The Board's performance in duties
5. The Board's relationship with the Company's management
6. Self-improvement of the directors and management development plan

The Board of Directors' self-assessment is conducted on an annual basis. The result of the previous year self-assessment is satisfactory. The Board has effectively contributed for their duties. The findings of the assessment were presented and reviewed for continual improvement.

#### **Board Self-Assessment of Sub-Committee**

Annual evaluation of performance of Sub-Committee e.g. Audit Committee was carried out in order to monitor and carry out continual improvement. The assessment result was reported in the Board meeting for their acknowledgement. Based on 2014, the result showed that all performance was highly satisfactory.

#### **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. Details of the Board of Directors' trainings are presented in the Annual Report and Form 56-1.

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.





# COMMITMENT to CORPORATE GOVERNANCE for BUSINESS SUSTAINABILITY



A Corporate Governance & Code of Conduct manual was compiled and distributed to every employee in conjunction with Corporate Governance training sessions. The training aimed to give employees practical guidelines concerning corporate governance and guide the Company's relations with shareholders, customers, business partners, communities, and within itself. Moreover, the charter clearly articulates the Company's determination to be a good corporate citizen.

Besides educational aspects, throughout the year 2014, the culture of corporate governance was continuously stimulated through a variety of strategic communication initiatives and activities. In the introduction phase of the charter rollout, employee attention was secured through a corporate governance-themed concert, e-mail blasts, posters and over 20 banners and cut-outs installed in both the Bangkok office and the Map Ta Phut plant. In each case, the message was put across in an easily understood and remembered way, using the simple acronym GREAT, where G stands for guidance, R for responsibility, E for ethics & equitable treatment, A for accountability, and T for transparency.

Further reinforcing the corporate governance and sustainability promotion mission, a number of quizzes and games were organized, relevant video clips were broadcast over the internal TV system, messages were emailed, exhibition booths were set up, updates made to the website, and several print media were created and disseminated, ranging internal and external newsletters, brochures and posters. All this and more were used to spread awareness and understanding of the guidelines and good



practices among both the Company's employees and the concerned public.

Thus Vinythai proactively maintains a dynamic corporate governance culture throughout its operations, so that all stakeholders can have full confidence both in its products and how it conducts its affairs.





# Practice for Prevention of Anti-Corruption

## Introduction

Vinythai Public Company Limited seeks to ensure sustained growth and profitability as a leader in sustainable petrochemical. While doing so, it is essential that we are committed to high standards of legal compliance and business ethics.

The Board of Directors of Vinythai has adopted and oversees the administration of the Company's Code of Conduct. The policies in the Code of Conduct are the founding policies of the Company. The Code of Conduct is based on strong tradition of values that are historically ingrained in the Company's culture. In particular, this Code reinforces the corporate social responsibility approach of the company.

This Code is applied to all the Company's Directors, Managers, and Employees wherever Vinythai operates or conducts its business. Third parties acting on behalf of Vinythai are also expected to act within the framework of the Code. For joint ventures, Vinythai will make the best efforts to ensure that the principles of this Code are respected.

Directors, Managers, and Employees should be familiar with the content of this Code of Conduct and act in accordance with its terms.

It provides us with the principles to follow when we are confronted with difficult choices. While each of us is expected to comply with applicable laws and regulations, we also need to comply with this Code, which is the corner stone of our ethics and compliance program.

The Vinythai Code of Conduct provides general guidance and is not an exhaustive document anticipating every situation Directors, Managers, and Employees may face in their day-to-day business. Rather, the Code highlights the guiding principles that form the basis of the Company's policies.

Our reputation as a corporate citizen depends on our understanding of and compliance with these policies. Regardless of how much difficulty we encounter or pressure we face in performing our jobs, no situation can justify the willful violation of these policies. The management is accountable to implement this Code of Conduct through various measures, including appropriate training, in order to promote ethical behavior and compliance. Employees are encouraged to ask questions with the management when they need clarity and speak up when they have ethical or compliance concerns.



(Mr. Jacques van Rijckevorsel)  
Chairman of the Board of Directors  
21 February 2014

## Practice

The Board of Directors give precedence to all kinds of Anti-Corruption activities including social responsibility and all stakeholders, employees, suppliers, customers, etc. In year 2014, the Board has developed and improved the company's policy and Code of Conduct as well as launching the campaign of new Code of Conduct as a guide book to the board of directors, management and employees.

### The new principles, policies and procedures of Code of Conduct are as follow:

- Guiding Principles
  - Founding Policies
    - o Business Ethics Policy
    - o Conflicts of Interest Policy
    - o Safety, Health and Environment Policy
    - o Safeguarding of Confidential Information policy
    - o Gifts, Entertainment and Anti-Corruption Policy
    - o Customers Relations and Product Quality Policy
    - o Harassment In Workplace Policy
    - o Charitable Activities & Company Philanthropy Policy
  - Administrative Procedures
    - o Compliance and Entertainment
    - o Speak Up and No Retaliation
    - o Training and Awareness
    - o Designated Compliance Function
- (please see the more details in :

[http://www.vinythai.co.th/en/binaries/CG\\_code\\_of\\_conduct\\_handbook\\_EN-190696.pdf](http://www.vinythai.co.th/en/binaries/CG_code_of_conduct_handbook_EN-190696.pdf))

## GIFTS, ENTERTAINMENT AND ANTI-CORRUPTION POLICY

It is the policy of Vinythai Public Company Limited to base commercial decisions on commercial criteria. That policy serves the

Company's business interests and fosters constructive relationships with organizations and individuals doing business, or seeking to do business, with the Company.

In many cultures, those constructive relationships may include incidental business gifts and entertainment. Directors, managers, employees, and third parties acting on behalf of the Company providing or receiving third party gifts and entertainment in their corporate capacities are expected to exercise good judgment in each case, taking in to account pertinent circumstances, including the character of the gift or entertainment, its purpose, its appearance, the positions of the persons providing and receiving gift or entertainment, the business context, reciprocity, and applicable laws and social norms. Gift and entertainment must not be intended to create an improper advantage for the Company.

In addition, directors, managements, and employees and third parties who are the representative of the Company are also prohibited from operating or accepting any type of corruption both in direct or indirect manner covering any business and related department in any country.

It is the responsibility of the Company's management to establish a guideline setting the limits on the value of gifts and entertainment offered and received. All expenditures for gifts and entertainment provided by the Company must be accurately recorded in the books of the Company. Additionally, the Gifts, Entertainment, and Anti-Corruption Policy needs to be reviewed regularly, including with a possible revision of such policy and implementation provision in order to accord with business changes, regulation, standard, and laws.





### **Speak up and no retaliation**

Vinythai Public Company Limited encourages employees to ask questions, voice concerns, and make appropriate suggestions regarding the business practices of the Company. Employees are expected to report promptly to management suspected violations of laws, the Company's policy, and the Company's internal controls, so that management can take appropriate action. The Company promptly investigates reports of suspected violations of law, policies, and internal control procedures.

Management is ultimately responsible for the investigation of and appropriate response to reports of suspected violations of laws, policies, and internal control procedures. Internal Audit Division has primary responsibility for investigating violations of the Company's internal controls, with assistance from others, depending on the subject matter of the inquiry. The persons who investigate suspected violations are expected to exercise independent and objective judgment.

Normally, an employee should discuss such matters with the employee's immediate supervisor. Each supervisor is expected to be available for subordinates for that purpose. If an employee is dissatisfied following review with the employee's immediate supervisor, that employee is encouraged to request further reviews, in the presence of the supervisor or otherwise. Reviews should continue to the level of management appropriate to resolve the issue.

Depending on the subject matter of the question, concern, or suggestion, each employee has access to alternative channels of communication, for example, the Internal Audit Division; the Legal & Compliance Division; the Human Resources & Administration Department; the Finance & Accounting Department; and the Security Department.

Suspected violations of law or the Company's policies involving a director or executive officer, as well as any concern regarding questionable accounting or audit matters, should

be referred directly to the Head of Internal Audit or the Legal & Compliance Division. As an alternative, employees may wish to make reports without identifying themselves by telephoning or by writing to the aforementioned managers or non-employee directors. The Audit Committee will initially review all issues involving directors or executive officers, and will then refer all issues to the Board of Directors of the Company.

In no event shall an employee who makes a report be subject to retaliation. Any person, regardless of position, who engages in retaliatory behavior, will be subject to disciplinary action.

Provided that reports are made in good faith, no action will be taken against an employee raising a concern that eventually proves to be inaccurate. Abusive accusations will not be tolerated.

### **The implementation of anti-corruption and bribery**

In 2014, the company has continued promotion on the Anti-Corruption and Bribery as follows:

- Reviewed and developed the Code of Conduct guide book to commit the high standards of legal compliance and business conduct.
- Distributed the Code of Conduct guide book to directors, management and employees for acknowledgment and further practices.
- Communicated and published the Company's Code of Conduct in the company's website: [http://www.vinythai.co.th/en/binaries/CG\\_code\\_of\\_conduct\\_handbook\\_EN-190696.pdf](http://www.vinythai.co.th/en/binaries/CG_code_of_conduct_handbook_EN-190696.pdf)
- Provided Code of Conduct training to all employees in order to increase their awareness and comply with the company's policies and regulations.
- Provided Code of Conduct activities to all employees for better understanding about the practice of the Code of Conduct.

In addition, the company is preparing the Anti-Corruption guidelines and regulations to implement to its employees. The company will join the declaration of intent to oppose the corruption of Private Section Collective Action Coalition Against Corruption (CAC). It is on the process of the self-evaluation criteria study prepared by the Thai Institute of Directors (IOD). The Company must fully complete all mandatory evaluation questions. In year 2015, the Company plans to develop the Anti-Corruption guidelines and regulations to present to the Board of Directors for approval and have the Chairman of Board of Directors to sign a Declaration of Intent of the Thai Institute of Directors' Private Sector Collective Action Coalition Against Corruption respectively.







# 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 to cope with changing business environment and organizational structures. 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.3/2014 held on July 17, 2014, and year-end report of 2014 to the Board Meeting No.1/2015 held on February 12, 2015 which included the evaluation of the internal control of the Company in compliance with the internal control evaluation form outlined by the SEC based on COSO Framework. After consideration, the Board of Directors has the same view as the Audit Committee that overall internal control system is present and functioning, remains satisfactory, adequate and appropriate for the Company's business operations and organizational

structures. Current risk management is adequate to safeguard the shareholders' investment, the interests of customers, regulators, stakeholders, and 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 conduct have been defined and communicated to employees at all level. Reviews on the policy and the code are made to ensure appropriate changes to business environment; thus the latest revisions of the policy and the code were considered and approved by the Board of Directors in February 2014. In addition, training sessions were conducted to employees at all level to thoroughly understand and adhere to the policy and the code, together with handbook disseminated to employees. The Company takes all steps to ensure full compliance





with ethical principles and that appropriate penalties are imposed in the event of any violation. Implementation on principles of good corporate governance has been continually carried out to further improvement.

According to the Company's structure, delegation of authorities has been clearly defined by the Board of Directors, especially for significant matters, to ensure transparency and accountability. Explicit approval procedures for operations, the roles and responsibilities of management and operation in each level, including reporting lines, have been clearly stated 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, both internally and externally. 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, by taking into consideration, risks to objectives related to operation, compliance, external financial and non-financial reporting. The management is also well aware of operation risk related to fraud, thus measures for preventing and detecting potential fraud are implemented through effective control procedures, segregation of duties, explicit delegation of authorities and control over information system and accessibility. 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 which extended to supply chain logistics was established to ensure company operation, products to customers and information system continuously in operation from any kind of failure.

- The Company always monitors legal compliance relevant to business operation of the Company and its subsidiaries, both locally and internationally.

## 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 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. Furthermore, the Company encourages employees to ask questions, voice concerns and make appropriate suggestions regarding the business practices of the Company. Employees are expected to report promptly to management suspected violations of laws, policies, and internal controls. Alternative channels of communication on such concern are provided for employees. According to the Company's code of conduct, the rights of any person who communicates such concern shall be protected.

#### 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. As assigned by the Board of Directors, the Audit

Committee shall review the overall management of the Company's corporate governance practices.

- 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 Sovlay's affiliates, Solvay audit team also performed 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. He has continuously participated in relevant trainings to update knowledge and expertise. With his in-depth experiences in various aspects and qualifications, Dr. Supachat has extensively supported the Company for business performance 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.

# Risk Issues and Mitigation

## Risk Management

Vinythai placed an importance on risk management in order to support sustainable growth and to ensure effective risk management of the Company and its subsidiaries to cope with rapid change in business and industrial environment. Risk management is under supervision of the Board of Directors through the Business Advisory Committee and the Audit Committee. In addition, Management-level committee has been set up to assess, manage and timely monitor risk exposures and mitigation measures to ensure that risk impacts can be prevented and mitigated at an acceptable level for business operations.

Risk Management Committee at the Management level (RMC) comprises the Managing Director, Plant Manager, Business Director, Operation Director, Vice President Finance & Accounting, Vice President Corporate Affairs & Communications, Vice President Marketing & Sales for each product business unit, including Senior Strategic Marketing and Business Development, AVP Supply Chain Department Manager, HR and 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 accounted for more than 50% of the Company's total production costs in 2014.

##### 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 2014, 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 its exposure 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 was fully drawdown in mid of 2013. The loan's recorded outstanding as at 2014 is THB 2047.10 Million, after repayments and prepayment.

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

In 2013, the Company entered into 2 RMB Long-Term Loan agreements totaling RMB 420 million with commercial banks in Thailand to finance the Epichlorohydrin production project in China of its subsidiary, Solvay Biochemicals (Taixing) Company Limited. At 2014 end, 1 RMB Long-Term Loan agreement was drawdown completely with the outstanding of RMB 180 Million.







fee. THB 650 million was prepaid in September 2014. 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 uncertainty 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 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 obligated to pay interest on its borrowings under the loans on a quarterly basis. The Company is also obligated to maintain certain financial ratios with respect to the loan.

### Mitigation:

The Company closely monitors its 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

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 for its main feedstocks, as they are 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 long term loan in RMB currency to support the investment in an Epichlorohydrin plant in China via its holding company in Singapore, Vinythai Holding PTE, the Company is exposed 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, the Company has studied Cross Currency Swap from RMB to THB to mitigate Fx risk of long term loan in RMB currency.

## 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. 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. Project Risk

The Company had invested in its subsidiary, Solvay Biochemicals (Taixing) Limited which is registered in the People's Republic of China. The Company holds 100% of the ordinary shares of its subsidiary via Vinythai Holding Pte. Ltd. amounting to RMB 287 million.

Currently the project is put on hold for some period due to the volatility of Epichlorohydrin market in China.

### Mitigation:

The Company has closely monitored the market trend of the People's Republic of China in order to swiftly react to the market conditions. In the meantime, the impairment provision for this intercompany loan has been recognized in the Company's financial statement to reflect its fair value.







#### 4. Operation risks

##### 4.1 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.

##### 4.2 Supply chain risk

Nowadays customers carefully follow their costs and have a tight control of their inventory for raw materials/finished goods. Some apply "zero inventory" policy.

Therefore as supplier 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 supply chain ability to effectively implement mechanisms that address security vulnerabilities at operational levels, as well as to establish preventive actions.

#### 5. Megatrend - Green movement risks

##### 5.1 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 the 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 related to energy saving.

For examples:

=> Finished goods – certified by the nationally carbon reduction labels;  
=> 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, manufacturing excellence program,
- support function: carbon reduction label for buildings (Laboratory building at plant), Green meeting.

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

##### 5.2 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 proper management of product application portfolio, this could generate a significant impact on business performance in the long run.

##### Mitigation:

Since 2011, the Company has adopted a tool, named "Sustainable Portfolio Management (SPM)" developed by its main shareholders. Through this tool, the Company assesses product application VS sustainability into two dimensions: 1- environmental impact of manufacturing, and 2- degree to which the product in that application is 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 more than 80% of the product portfolio has been assessed and the Company also extended this assessment to all its important R & D projects.



# Audit Committee's Report for 2014

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 fully aligned with the requirements of the Stock Exchange of Thailand, and the mission entrusted to it by the Board of Directors. The Audit Committee also emphasized on adherence to good corporate governance and compliance with laws and regulations in relation to the business operations of the Company and its subsidiaries.

## Major activities held during 2014 are summarized as follows:

### • Meetings

In 2014, 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 2014, 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 ended 2013 and 2014 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 and obtained clarification from the external auditor and the management 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 issues. 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 2014, the Audit Committee also considered significant related transactions to be entered with the Company's major shareholder in order to ensure the related transactions are justified by taking into account of the interest of the Company and all stakeholders, as well as strict compliance with the SEC's and the SET's rules and regulations.

• **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 system.

Assessed the internal control in accordance with the SEC's internal control checklist form, whereby the Audit Committee found that the internal control system remains satisfactory, adequate and appropriate for the Company's business operations. This is in line with the assessment of the external auditors that the internal control system of the Company and its subsidiaries are overall satisfactory. Additionally, in 2014, a control assessment was



conducted by Solvay Group's auditors to ensure an efficiency of internal processes particularly those contributing to the protection of its assets and reliability of financial information.

• **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.

Nominated Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to perform an Independent Review on Maintenance Management and Supply Chain Management to ensure the appropriateness of the internal control system of auditable areas and risk exposure relating to operations, of which the assessment showed

that overall controls were adequately and effectively designed and operated according to the controls designed by the management.

• **Corporate Governance review**

Advised the Company's Corporate Governance practices and proposed to the Board of Directors to revise the Company's Corporate Governance Charter and Code of Conduct, as well as recommended the action plan to be carried out by the management.

Reviewed overall management of corporate governance in line with regulations and recommendations of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and the Thai Institute of Directors (IOD). Resulting from continually conforming to the good corporate governance principles, in 2014, the Company has been assessed and received the Very Good level of corporate governance recognition from the SET, the SEC and the Thai IOD. The Company has been also ranked among the TOP 50 Publicly Listed Companies – Thailand according to the assessment of ASEAN CG Scorecard 2013/2014. In addition, a scoring result of AGM assessment by the Thai Investors Association was 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 2014, there has been no report of such finding through the Audit Committee.

Reviewed the Audit Committee Charter related to its scope of responsibility to extend to the review of overall management of corporate governance activities. The revised Charter has been approved by the Board of Directors since February 21, 2014.

Continued to perform self-assessment of the Audit Committee as a whole to evaluate

its general effectiveness. Based on 2014 self-assessment, which was assessed by all committee members, the result showed that all performance was highly satisfactory.

Acknowledged the SEC's sustainability Development Roadmap for listed companies which focuses on CG in substance, CSR in process and Anti-Corruption in Practice.

• **External auditor and audit fee review**

Evaluated and selected KPMG Phoomchai Audit Ltd. to be the auditor of the Company and its subsidiaries based on the auditor knowledge, expertise, engagement and reasonable audit fee. Consequently, the Audit Committee recommended to the Board of Directors to seek the approval of the shareholders' meeting to appoint Mr. Waiyawat Kosamarnchaiyakit, or Mr. Vairoj Jindamaneepitak, or Mr. Sakda Kaothanthong, as the Company's auditor, and determined the auditor's remuneration for 2014.

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





# Corporate Social Responsibility

## Sustainable Development Way based on Solvay Approach, Solvay Way

As Vinythai Plc.'s major shareholder is the Solvay Group, an international business operator in chemicals, many of the Company's policies are dependent principally on the policies of the Solvay Group. This includes adopting Solvay's sustainability management practices as the Company's framework in achieving sustainability objectives to ensure consistency and relevance throughout the organization and the business chain.

The Company has been striving for business conduct that integrates corporate social responsibility in its internal and external processes for more business value added. The Company has given its commitment to build strong relationships and dialogues with 6 key stakeholders, i.e., customers, employees, environment, shareholders, business partners, and communities.

## Sustainable Development Ways based on Solvay Approches







## The Board of Directors' Engagement in Corporate Social Responsibility Practices

The Vinythai Plc. Board of Directors' engagement in CSR practices exists at the policy and management levels. The Board of Directors analyses the previous years' operations and gives suggestions on needed improvements.

One aspect of Vinythai's CSR practices that received close attention from the Board in 2014 is Corporate Governance. In that sense, in 2014, the Board performed a special review of the Company's Corporate Governance, and the outcome has been implemented through the Company's ranks.

Furthermore, the Company's management introduced the Solvay Way, an integrated framework that covers all Sustainable Development practices, including relations with stakeholders, CSR-in-Process, CSR-after-Process, Anti-Corruption, Innovation, ..., all important topics that are at the forefront of the Company's attention.

The Board of Directors' engagement in this process greatly contributes to the accomplishment of the sustainability goals set by the Company, organized according to Economic, Environmental and Social responsibilities.

## Economic Responsibility

To enhance customer confidence and reliability, the Company has implemented several sustainable strategic approaches, including Total Quality Management, Innovation, Product Lifecycle Assessment, and Logistics Management and Transport Safety Management

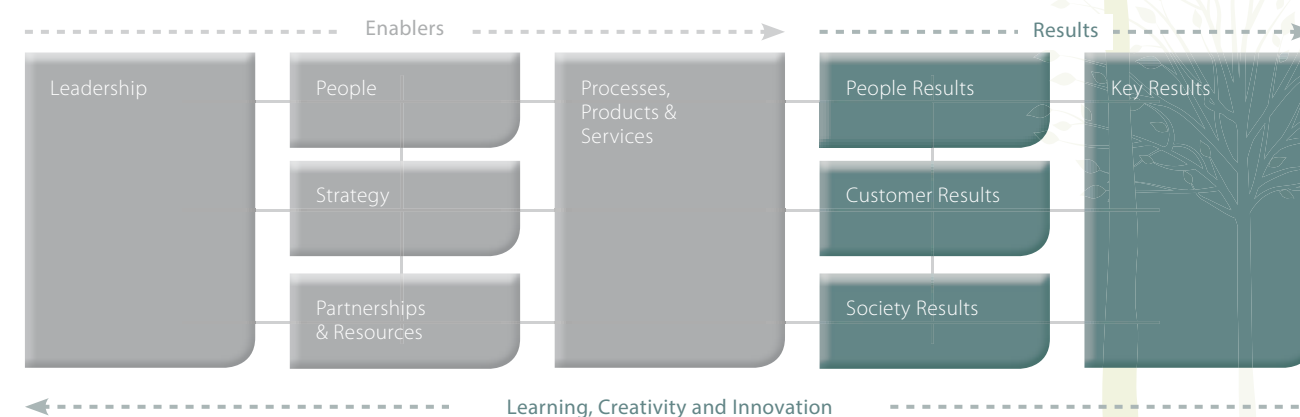
### Total Quality Management

#### Company Action Plan and Self Assessment

In 2014, the Company reviewed its standing and formulated plans in accordance with its Vision and Mission. These efforts included surveying all risks that might inhibit attainment of its targets or obstruct the imposition of downstream economy measures.

Using the EFQM (European Foundation for Quality Management) Excellence Model as a guide, the Company assessed its performance in each operating area, namely, Leadership, Strategy, People, Partnerships & Resources, Processes, Products & Services, and evaluated the potential impact of each factor on its key results. The findings, together with corrective actions indicated, were duly bedded into an updated business plan.

### THE EFQM Excellence Model



### Customer Satisfaction Survey

Vinythai aims to make its products the first choice of its customers. To this end, the Company consistently monitors and measures customer satisfaction. The Company's marketing team regularly outsources independent surveys of both its domestic and export customers. The findings from these surveys are used accordingly to design marketing plans that are closely aligned with both the needs of individual customers and market trends. Implementation of these plans thereby strengthens the Company's position going forward.

The surveys target eight areas of customer perception: Product, Price, Sales Representation, Delivery, Finance/Shipping Documentation, Credit Policy, Technical Services, Corporate Social Responsibility. Responses indicate consistently increasing levels of customer satisfaction. Nevertheless, the Company remains committed to steadily raising the satisfaction level in each area in the coming year and beyond.



The Company also closely tracks any customer complaints that might arise and acts promptly to prevent or resolve related issues or problems. This tracking enables the Company to monitor, understand, predict and improve its overall performance.

Several visits were undertaken during the past year to Thai and foreign customers of the Company's PVC and Caustic Soda products. In every case, the outcomes of these visits indicated high levels of customer satisfaction.

The Company is also aware that various internal supply components to its production processes also contribute to its customer satisfaction levels and they, too, are therefore surveyed. Action is taken to gain information that can be used to fine tune and constantly improve efficiencies in the internal processes that contribute to end products. Such surveyed areas include the Company's testing laboratory and its quality control, maintenance and engineering departments.

Moreover, in the past year these efforts to accentuate customer satisfaction as per usual 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 all concerned moving in the same direction, the Management team has fixed Key Performance Indicators that are communicated to all employees via the Company's intranet and through various public relations activities.



### Integrated Management System Policy

Vinythai Plc. is an industrial company dedicated to the production and sales of Polyvinylchloride, Vinylchloride 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 customers' 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 all stages, including the transportation of goods.
- continuously improve the quality of our products by implementing all excellence programs.
- 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 emissions to the atmosphere, water and soil.
- continuously enhance security, safety and health protection through a personal commitment.
- fully comply with the Responsible Care global charter which is committed to the industry's responsible management of chemicals.
- comply with the business & operation standards (such as FDA, TIS, HALAL, Good Manufacturing Practice-GMP, Hazard Analysis and Critical Control Point – HACCP 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. I strongly believe that commitment by every employee and manager to the above principles, shall lead our Companies to achieve the goal of sustainable growth and to become totally responsible towards health, security, safety and environment.

(Mr. Bruno van der Wielen)  
Managing Director



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

Also during 2014, the Company has implemented the following: GMP (Good Manufacturing Practice), HACCP (Hazard Analysis and Critical Control Point), and Kosher, all for Caustic Soda production, and GBCA (Green Star Credit Best Practice Guidelines) for PVC production.

#### • GMP & HACCP for Caustic Soda production

GMP and HACCP ensure that the Company's Caustic Soda production meets international food, or chemical safety, quality and legal requirements. The standards are recognized worldwide as denoting excellent control and management of manufacturing processes and quality testing of products used in food processing. Vinythai rigorously and consistently applied GMP and HACCP standards throughout 2014.

The focus on GMP principles and standards ensures the quality of raw materials and equipment used in cleaning plant, in production and in relation to worker health and safety. It also covers application of equipment, production techniques and standards, testifying that they are all safe and reliable.

HACCP is a systematic preventive approach to food safety that addresses prevention of physical, chemical and biological hazards rather than finished product inspection. HACCP is used to identify potential food safety hazards, so that key actions can be taken at Critical Control Points (CCPs) to reduce or eliminate hazard risks being realized. The system is implemented throughout preparation processes and at all stages of production in order to plan out unsafe practices.

Independently GMP & HACCP assessed and approved by Bureau Veritas Certification (Thailand), the Company's implementation of these standards

places it in the first rank among suppliers of Caustic Soda to the free market in Thailand.

#### • Kosher Certification for Caustic Soda

Vinythai's Caustic Soda output is certified as Kosher by complying with applicable Jewish regulations. The certification makes the product competitive in markets that only accept Kosher foods.

#### • GBCA Green Star Credit Best Practice Guidelines for PVC

The Green Building Council of Australia (GBCA) has established a green building rating known as "Green Star". Up to two points are awarded as a so-called "PVC Credit" when common usage of PVC products meets Best Practice Guidelines for use in buildings. To meet the Best Practice Guidelines, the PVC resin used by a PVC producer must conform to certain criteria. Vinythai is one of the first PVC resin producers in the world to be independently audited and certified for its compliance with the standard. The Green Star, in turn, makes Vinythai a favored supplier among customers in Australia or that supply the Australian market from elsewhere. It also further underscores and publicizes the Company's commitment to sustainable development.

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% and 50% sodium hydroxide, Quality Level 1.
- Food and Drug Administration (FDA), Ministry of Public Health, Thailand, license to display an FDA stamp on 32% and 50% sodium hydroxide food additives.
- Central Islamic Committee of Thailand

license to display a Halal stamp on 32% and 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% and 50% sodium hydroxide.

#### Management standards

- ISO 9001: 2008 certification, as assessed by Bureau Veritas Certification Thailand.
- ISO 14001: 2004 certification, as assessed by Bureau Veritas Certification Thailand.
- OHSAS 18001: 2007 certification, as assessed by Bureau Veritas Certification Thailand.
- ISO/IEC 17025: 2005 laboratory accreditation, originally certified by the Thai Industrial Standards Institute (TISI)
- Standard for Corporate Social Responsibility (CSR-DIW) B.E. 2552, Department of Industrial Works, Ministry of Industry.
- ISO 26000: 2009 Guidance on Social Responsibility.
- Carbon Footprint Label issued by the Thailand Greenhouse Gas Management Organization (TGO) for carbon dioxide emission reduction during production of PVC suspension, PVC emulsion, sodium hydroxide, vinyl chloride monomer and ethylene dichloride.
- Carbon Reduction Label for Laboratory Buildings from Thailand Environment Institute (TEI), testifying that carbon dioxide emissions from the Company's laboratory building were reduced by at least 10% from their 2002 level.
- Ministry of Industry "Green Industry" certificates, levels 3 and 4.

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 per year. To-date, these meticulous audits have not uncovered any non-conformity, leading to the conclusion that the integrated management systems are working



according to design. Moreover, the integrated management systems have been referred in the reference systems which Solvay, one of Vinythai's shareholders, is developing.

#### Innovation & Excellence for Sustainable Development

Innovation and suggestion scheme is one of key business performance improvement activities to drive the Company's competitiveness and sustainability. Vinythai management therefore continuously encourages every single employee to involve and participate through the whole year a committee is nominated to run and promote the activities. Before each year end, the committee organizes the Innovation & Suggestion event in order to celebrate and recognize those implemented & outstanding innovative ideas.

In 2014, the innovation and suggestion idea ratio has reached 2.6 ideas per person saving a total of around 118 MTHB. Those ideas could be classified in several categories, such as energy saving, effective and efficient use in natural resources, environmentally friendliness,

customer satisfaction improvement, quality & quantity improvement, Lean Six Sigma projects, etc. The Lean Six Sigma outstanding projects have been also rewarded on the event; by last year, all trained 9 Black Belts and 20 Green Belts realize their projects, with 37 MTHB saving.

Through energy saving, the Company aims not only to reduce the production cost, but also to decrease the greenhouse gas emission to the environment. Relevant Meeting s are organized for idea brainstorming, follow-up, and review. Total energy saving amount is more than 90 MTHB

Early January 2015 the Company agrees to adopt the Manufacturing Excellence Transformation (VIN WIN project), that later has been supported by the Corporate Manufacturing team, Business Improvement, and all concerned. Based on the methodology, three important areas are diagnosed, as follows;

1. Technical System
2. Performance Management
3. Mindset and Behavior

Then detailed action plans will be established and deployed

### Product Life Cycle Assessment

Vinythai realizes the importance of product and service safety; therefore, the Company includes an evaluation of health and safety impact in the manufacturing processes, from product development and improvement, raw material selection, risk analysis, product delivery based on the TIS/OHSAS 18001, to marketing and sales promotion. Vinythai also promotes the use of environmentally friendly products including reuse and recycle to ensure product safety in the entire life cycle.

In addition, the Company abides by the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulations

Life Cycle Stages in which Health and Safety Impacts of Product and Services are Assessed	Yes	No
Development of Product Concept	X	
Research and Development (R & D)	X*	
Manufacturing & Production	X	
Marketing & Promotion	X	
Storage Distribution & Supply	X	
Use & Service	X**	
Disposal, Reuse, Recycling	X	

Note \* The health and safety evaluation in the R & D phase is available only for new products.

\*\* The health and safety evaluation in the Disposal, Reuse, Recycling phase is available only for some products.

regarding impact evaluation, as established by the European Union (EU) to ensure the consumers' health and safety in using the products. The regulations aim to increase the prevention of potential risks arising from the use of chemicals to health and the environment.

Vinythai provides impact evaluation for all its products throughout their life cycle or Life Cycle Assessment (LCA). The assessment is conducted in 2 forms: (1) Gate-to-Gate which assesses the impact in every stage until the product reaches the customer, and (2) Gate-to-Grave which assesses the impact in every stage from procuring raw materials, designing, manufacturing, transporting, using, to disposing or reusing.

### Logistics Management and Transport Safety Management

#### Boosts logistics efficiency with RFID technology

There are hundreds of trucks coming in and out at Vinythai plants throughout the day. Some of them are carrying various raw materials to the plants. Some deliver our quality products including PVC, caustic soda and Epicerol® from the plants to consumers nationwide. Without the current excellent logistics management, the transport and distribution may be delayed and damaged. In addition, Vinythai continuously increases its production capacity and therefore



needs to manage more trucks. Technology solution that could facilitate, accelerate and reduce mistakes in ground transport of chemicals like Radio Frequency Identification (RFID) was therefore implemented in our management.

Besides RFID technology, Vinythai Plc. developed fleet management solution (QMS), which links the transportation data with SAP software of Vinythai for management of raw materials, inventories and sales. On the scheduled date, the driver drives the truck to the scale station and touch the "Truck ID Card" on RFID reader to enable the QMS to recognize the truck company, purpose (pick-up or delivery) type of chemicals and the accurate weight. After that, the loading slip is printed out from RFID reader.

After loading, the driver drives the truck back to the scale station to check the accuracy of product type and volume. The QMS then syncs the data with SAP system to deduct the volume of product from the stock. The delivery slip is issued to the driver.

RFID technology helps streamline the process at the scale station which used to take 3-5 minutes/truck to only 30 seconds/truck. It boosts up the logistics management capacity up to 260 trucks/day. This technology helps support Vinythai's future business expansion and ensure accurate stock management without spending more money to build additional scale stations.

#### 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.

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 four consecutive years.

## Environmental Responsibility

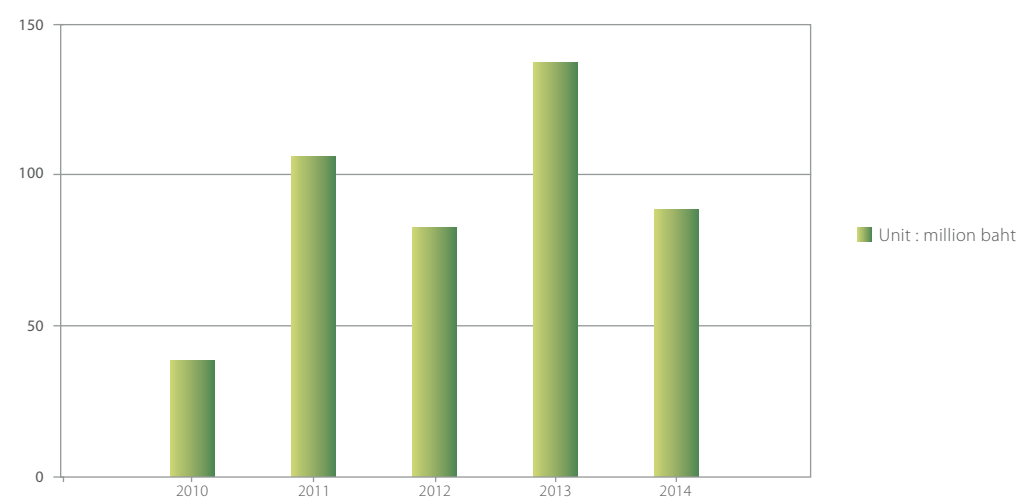
Vinythai was formally recognized in 2014 by sixth consecutive “Excellence Environmental Governance” and “Golden Star Award” from the Industrial Estate Authority of Thailand. This award could be an evidence of the efficiency of environmental and social management. The environmental assessment was regularly reviewed, and corrective and preventive measures were implemented in order to lessen environmental impacts as well as environmental resources were maximized. Environmental awareness was raised among employees and stakeholders in order to promote environmental culture in the Company.

### Energy Conservation

The manufacturing processes at Vinythai require large amounts of energy. As an important part of the Electrolysis system, electricity is the most used energy, followed by steam for the Evaporators, and natural gases used in furnaces. The Company is well aware of the impact on the environment caused by this energy use; hence each year, the use of energy is regularly monitored.

The Company has appointed an Energy Conservation Working Group to monitor the use of energy in each manufacturing process. In 2014, the Company was able to reduce its energy costs by 88 million baht.

### Cost Saving from Energy Conservation Initiative



### Water Resources

“Water” is an essential natural resource to the manufacturing process of Vinythai. Due to its necessity in the production process, the Company has started to continuously monitor and track its water consumption in order to analyze the trend and contribute to future sustainable development. In 2014, the Company participated in the study on “Water Economy Approach” organized by Solvay Group, one of major shareholders. In order to evaluate water management, the results of the study will be considered for the water consumption development plan of Vinythai.

With an emphasis on environmental concerns, the Company also monitors the amount and quality of wastewater, with systems such as COD online and measuring for effluent discharge that report directly to the Department of Industrial Works and Map Ta Phut Industrial Estate.

### Climate Change, Emissions and Wastes

Climate change is a worldwide sustainability issue. The important cause of this is Greenhouse Gas (GHG), especially in the form of carbon dioxide and other ozone-depleting substances.

This sustainability issue raised the Company’s policy to reduce greenhouse gas emissions by 10% (equivalent to tons of carbon) including both direct and indirect emissions that are related to the Company’s manufacturing activities. The endeavor also covers the reduction of primary energy by 10%.

Furthermore, Vinythai pays a lot of attention to the emissions and wastes generated by its operations. In 2014, the Company conducted a number of projects to achieve the goal of reducing direct and indirect emissions from the manufacturing processes and related business operations. Said projects include energy conservation and carbon dioxide reduction, purchase and logistics development for excellence in supply chain management, Annual Maintenance Efficiency Maximization, as well as eco-friendly logistics and transport and Green Meeting, all of which contribute to the reduction of GHG.

For toxic and non-toxic wastes, Vinythai has an effective and responsible waste management system, and hasn't disposed of hazardous wastes in landfills since 2011. The Company continually monitors the information of the waste management categorized by type of waste and its appropriate disposal method.



## Social Responsibility

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 is top priority. Various activities related to occupational health and safety are promoted among its employees and in surrounding communities. In 2014, the Company implemented a range of projects related to health and safety, as follows:

#### Health and Safety for Communities

- In collaboration with Noenpra Municipality and communities, Vinythai

organized the 5th Noenpra-Vinythai Super Mini marathon for the H.R.H. Princess Somsawali Cups. This year, around 1,350 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 was 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 Association, organized mobile medical service for Map Ta Phut community at Ban Map Ta Phut School. Map Ta Phut hospital provided a range of medical services, including blood checking, cervical cancer screening, general check-up and dental services to over 100 registrants.

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

### Health and Safety for Employees and Contractors

#### 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 to continuously promote a safety culture throughout the Company. Some 70% 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. Many potential development programs for contractors were introduced including the guidelines of safety management system. Suggestions and support were provided and performance evaluation was continually conducted to maximize safety and established sustainability for all stakeholders including employees.

The 19th Quality, Health, safety and Environment (QHSE) Day was organized with an aim at raising safety awareness among employees, contractors and suppliers through various activities including exhibition, photo contest, safety related idea contest, talk show about safety and games.







In 2014, 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 5th consecutive year.

- **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 performance of concerned staff. The information would be analyzed for developing employees' health protection plan. 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.

- **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 2014, 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

- **Drug Prevention System**

The Company received the certificate for the White Plant Award (Drug-Free Workplace) Level 1 from Department of Labour Protection and Welfare. The award evidences the standard systems to prevent drug problems for better health and living conditions of workers.



## 2. Environmental is 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: 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 with locals from Soi Khiri, Nong Waisom and Charoen Pattana communities

- Vinythai management and staff in collaboration with Map Ta Phut Industrial Estate Authority, other industrial enterprises and communities, enthusiastically participated in the 12th 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 staff volunteers participated in beach cleaning event organized by Ban Chang and Industrial Authority of Thailand at Namrin beach, and also joined the cleaning activity at Mabkha-Mapnai on an occasion of Father's Day.

## 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 2014, Vinythai presented scholarships to 15 students of Soi Khiri, Nong Waisom and Charoen Pattana communities 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.

Students were instructed in production process, environmental management, 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 2014 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 staff 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 Wellbeing

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 Community Enterprise and being certified Community Product Standard form Provincial Industrial Office, Rayong of Ministry of Industry. Ban Plong occupational group also won the honorable award of Eco for Life contest 2014 organized by Industrial Estate Authority of Thailand.

## 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 participants from government and private sectors, ranging from students to locals and state authorities, were involved in the project in 2014. 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 organized to mark World Oceans Day, organized by the Department of Marine and Coastal Resources 1.

Youth Council of Map Ta Phut Municipality was also invited to join the activity at Banphe Municipality Pier, Rayong.

- coral conservation events on occasions of Mother's Day and Father's Day organized by the Naval Special Warfare Command and by First Naval Area Command and Samaesan community at Samaesan and at Kham Island respectively, Chon Buri.

- coral cultivation activities organized for the Industrial Estate Authority of Thailand at Talu island, Prachuap Khiri Khan

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

In collaboration with the National Science and Technology Development Agency (NSTDA), the Company organized engineering camps as part of its "PVC Telescopes to Celebrate His Majesty the King's 84th Birthday" project during 2011-2013.

During three years, eight camps were hosted for almost 700 youngsters from 84 schools and fifteen Science Centers for Education nationwide.

This year, Vinythai and NSTDA collaborated with Science Centers for Education and Office of the Non-Formal and Informal Education in Rayong Province in announcing the PVC telescope promotion project with an aim to encourage those 84 schools to optimize the invented PVC telescope for promoting astronomy in their schools and communities. The selected teams can win scholarship.

### Community Partnership Association

Vinythai is an active member of the Community Partnership Association, a cooperative initiative between industrial enterprises in Map Ta Phut, Rayong province. The members mutually agree to develop exemplary environmentally friendly plants that exceed legal requirements. They monitor each other's progress and jointly

promote high quality of life in the 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 180 locals from 8 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 96.13% and the event was deemed a great success.







# 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 17,847 MTHB of which 17,742 MTHB earned from sales revenues. The sales revenue increased by 410 MTHB or 2.4% comparing to year 2013. The main reason was the increase of PVC, VCM, and ECH average selling price resulting from the increment of main raw material price. However, sales volumes declined due to the major turnaround and technical issues in the beginning of 3rd quarter of 2014. The portion of domestic and export sales has no significant change comparing to the previous year.

Sales Revenues	2014		2013	
	MTHB	%	MTHB	%
<b>Domestic Sales</b>				
1. PVC Resins	5,347	30.1	5,184	29.9
2. Caustic Soda	2,708	15.3	2,456	14.2
3. VCM	2,760	15.6	2,824	16.3
4. ECH	1,001	5.6	859	5.0
5. Others	126	0.7	106	0.6
<b>Total Domestic Sales</b>	<b>11,941</b>	<b>67.3</b>	<b>11,429</b>	<b>65.9</b>
<b>Export Sales</b>				
1. PVC Resins	3,164	17.8	3,184	18.4
2. Caustic Soda	107	0.6	362	2.1
3. VCM	76	0.4	73	0.4
4. ECH	2,454	13.8	2,284	13.2
<b>Total Export Sales</b>	<b>5,801</b>	<b>32.7</b>	<b>5,903</b>	<b>34.1</b>
<b>Domestic and Export Sales</b>				
1. PVC Resins	8,510	48.0	8,368	48.3
2. Caustic Soda	2,815	15.9	2,818	16.3
3. VCM	2,836	16.0	2,897	16.7
4. ECH	3,455	19.5	3,143	18.1
5. Others	126	0.7	106	0.6
<b>Total Domestic and Export Sales</b>	<b>17,742</b>	<b>100</b>	<b>17,332</b>	<b>100</b>



Meanwhile, the Company's other income (net) decreased by 26 MTHB or 32% comparing to previous year, which was mainly from 2013 auction sale coming from proceeding the seizure of the debtor's assets according to court's verdict.

#### **Analysis of Cost and Expenses**

1. In 2014, Cost of sales amounting to 16,377 MTHB slightly increased by 437 MTHB comparing to 2013 or 2.7% increase. This increment is mainly from the increase of average Ethylene price in 2014 caused by the tight supply resulting from Asian Ethylene producer's plant maintenance. This led the drop of PVC spread. The Company was also pressured by higher Electricity price and technical issues which caused the increase of maintenance cost. However, thanks to the increase of ECH spread in the 3rd and 4th quarter of 2014 resulting from the maintenance of major ECH producers in the region, concatenated with the drop of Glycerin price, and all the management actions to reduce controllable costs, the Company has been able to maintain its Gross Profit margin at the same level as 2013.

2. In 2014, Selling & Administrative Expenses was 1,183 MTHB, decreased by 78 MTHB or 6% from 2013. This increment was mainly due to the reduction of transportation costs resulting from lower sales volume and the management actions to reduce controllable costs.

3. The Company recorded the impairment loss amounting to 1,365 MTHB from the impairment of ECH plant construction project of Solvay Biochemicals (Taixing) Limited (SBT) in Taixing, Jiangsu, China.

#### **Analysis of Solvay Biochemicals (Taixing) Limited project**

The Management firmly believes the bio based Epichlorohydrin or Epicerol® will further create sustainable value in line with the Sustainable Development Targets of the Company. The Company owns Advanced Biochemicals (Thailand) which operates a bio based Epichlorohydrin plant in Thailand that notably outperformed its budget in 2014.

End of 2012, the management swiftly reacted to unanticipated lower demand and additional structural capacities in China by slowing down the construction of its Epicerol® plant Solvay Biochemicals (Taixing). This allowed the Company to drastically reduce its commitment on Capital Expenditures.

On Aug 29th 2013, the Board of Directors unanimously endorsed and approved the Management decision to temporarily put the project on hold while evaluating alternatives that would optimize returns for the project. As the conditions in China did not improve in 2014, according to the Accounting Standards, the Company conducted a review of the asset's fair value for SBT. As a result, an impairment loss of around 1,365 Million Thai Baht is included in the Company's Q42014 consolidated result, significantly reducing the Company's result in comparison with the previous year. The impairment charge will have no cash flow consequences and no effect on any covenants in the Company's debt facility.

The management remains committed to resume the Project as soon as market conditions allow it in China.



### **An Analysis of Financial Status\***

#### **Analysis of Assets**

As at 31 December 2014, the Company and its subsidiaries had 19,773 MTHB of the total assets, which decreased 2,011 MTHB or 9% from previous year.

Details of the major changes were following:

1. As at 31 December 2014, the Company and its subsidiaries had net cash and cash equivalents amounting to 2,149 MTHB, increasing 646 MTHB of 43% comparing to 1,503 MTHB at the end of 2013 (see further information in analysis of cash flow).

2. The balance of trade and other receivables at the end of 2014 was 2,060 MTHB, decreasing by 600 MTHB comparing to 2,660 MTHB at the end of 2013. 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 subsidiary had net inventories at the end of 2014 amounting to 862 MTHB, decreasing from 905 MTHB in year 2013.

4. At the end of 2014, the Company and its subsidiaries had net property, plant and equipment, Intangible assets, and Advance payment for construction in progress amounting to 13,644 MTHB or decreasing by 2,254 MTHB comparing to 15,898 MTHB at the end of 2013, which is due to the impairment of the SBT construction project, plus normal depreciation.

5. The Company had the deferred tax assets of 396 MTHB resulting from unused tax losses, increasing from 124 MTHB in year 2013.



### Analysis of Liabilities

The Company and its subsidiaries had total liabilities at the end of 2014 amounting to 4,701 MTHB which decreased by 937 MTHB or 17% comparing to 2013. The major change of the liabilities was the decrease of trade and other payables, plus the decrement of long term loan for its subsidiaries' operation.

As at 31 December 2014, the status of loan agreements with commercial banks to finance the investment projects of the Company and its subsidiaries are presented as follow.

- 4,500 MTHB loan facilities to finance the project of its subsidiary, 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, 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. This loan had not been drawn down due to the project temporary being put on hold.
- 180 MRMB loan facilities to finance the project of its subsidiary, SBT. The loan is repayable in nine, equal, semi-annual installments commencing from 2016 with fixed interest rate. This loan has been drawn down since 2013.

### Analysis of Shareholders' Equity

As at 31 December 2014, the shareholders' equity was 15,072 MTHB which decreased by 1,073 MTHB or 7% comparing to 16,145 MTHB at the end of 2013. The decrement was mainly from the Net loss in 2014 and dividend paid to its shareholders.

### Analysis of Cash Flow

As of 31 December 2014 the Company and its subsidiaries' Cash Flow Statement presented 2,149 MTHB of cash and cash equivalents, increasing by 646 MTHB comparing to 1,503 MTHB at the end of 2013. The sources and uses of funds were following:

1. In 2014, the net cash flow from operating activities was 1,890 MTHB which increased by 415 MTHB or 28% comparing to 2013 because of the management of the Company's receivables and inventories.
2. In 2014, the net cash flow used in investing activities was 584 MTHB which decreased by 732 MTHB comparing to its amount of 1,316 MTHB for 2013. The reason was the construction project of its subsidiary SBT being put on hold.

3. In 2014, the net cash flow used in financing activities totaling of 666 MTHB mainly from the repayment of long term loan 810 MTHB.

Net cash flow from operating activities	1,890	MTHB
Net cash flow used in investing activities	(584)	MTHB
Net cash flows used in financing activities	(666)	MTHB
Increase in translation adjustments of its subsidiary (SBT)	<u>6</u>	MTHB
Net increase in cash and cash equivalents	<u>646</u>	MTHB

### Financial Ratios

	<u>2014</u>	<u>2013</u>
Gross Profit margin	7.7%	8.0%
Net Profit margin	-5.4%	1.1%
Debt to Equity ratio	0.31	0.35
Earning per share	-0.81	0.17
ROA	-5.2%	1.4%
ROE	-6.2%	1.2%

Gross Profit margin	=	Gross Profit (Total Sales – Costs of Sales) to Sales
Net Profit margin	=	Net Profit to Total Revenues
Debt to Equity	=	Total Liabilities to Total Equity
Return on Assets (ROA)	=	Profit before financial costs and income tax to average Total Assets
Return on Equity (ROE)	=	Net Profit to average Total Equity

Yours faithfully



(Mr. Bruno van der Wielen)  
Managing Director





# 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 2014 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, KPMG Phoomchai Audit 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 2014 has been prepared in accordance with the generally accepted accounting principles in Thailand and that it complies with all relevant rules and regulation.



(Mr. Vincent De Cuyper)  
Chairman of the Board of Directors



(Mr. Bruno van der Wielen)  
Director



# Vinythai Public Company Limited and its subsidiary

Financial statements for the year ended

31 December 2014

and Independent Auditor's Report

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

I have audited the accompanying consolidated and separate financial statements of Vinythai Public Company Limited and its subsidiaries (the "Group") and of Vinythai Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated and Separate Financial Statements*

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

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

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

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

### *Opinion*

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### *Other Matter*

The financial statements of the Group and the Company as at and for the year ended 31 December 2013, before reclassification of accounts had been made, were audited by another auditor who expressed an unqualified opinion on those statements on 21 February 2014 with an emphasis of matter regarding the change in accounting policy relating to the adoption of Thai Accounting Standard 12, "Income taxes".



(Waiyawat Kosamarnchaiyakij)  
Certified Public Accountant  
Registration No. 6333

KPMG Phoomchai Audit Ltd.  
Bangkok  
12 February 2015



# Vinythai Public Company Limited and its Subsidiaries

## Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2014	2013	2014	2013
		(in Baht)			
Current assets					
Cash and cash equivalents	5	2,149,100,554	1,502,660,862	1,810,409,356	1,152,356,377
Trade accounts receivable	4, 6	2,024,381,800	2,639,660,950	1,765,275,950	2,432,843,439
Other receivables	4, 7	35,081,588	19,984,955	44,138,071	50,972,825
Short-term loans to subsidiary	4	-	-	1,600,000,000	1,250,000,000
Current portion of long-term loans					
to subsidiaries	4	-	-	-	333,333,333
Inventories	8	862,293,824	904,676,266	676,943,236	747,901,394
Other current assets		254,743,602	280,527,052	96,162,714	122,540,703
Total current assets		5,325,601,368	5,347,510,085	5,992,929,327	6,089,948,071
Non-current assets					
Investment in associate	9	384,295,733	383,552,377	397,678,320	397,678,320
Investments in subsidiaries	10	-	-	1,454,097,446	2,870,497,776
Long-term loans to subsidiaries	4	-	-	3,006,549,071	2,793,720,267
Advance payment for construction in progress	11	-	477,746,204	-	-
Property, plant and equipment	11	13,305,732,724	14,841,069,740	9,467,819,609	10,232,489,267
Intangible assets	12	337,951,733	579,240,115	51,827,457	53,719,458
Deferred arrangement fee for long-term loan		6,898,808	8,278,569	-	-
Deferred tax assets	13	396,126,397	123,578,919	396,126,397	123,578,919
Other non-current assets		16,113,376	22,437,526	8,665,465	10,779,141
Total non-current assets		14,447,118,771	16,435,903,450	14,782,763,765	16,482,463,148
Total assets		19,772,720,139	21,783,413,535	20,775,693,092	22,572,411,219

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

# Vinythai Public Company Limited and its Subsidiaries

## Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2014	2013	2014	2013
		(in Baht)			
<i>Current liabilities</i>					
Trade accounts payable	4, 15	1,227,157,990	1,661,394,175	1,094,156,950	1,472,890,249
Other payables	4, 16	189,505,535	296,506,725	126,153,692	182,193,101
Current portion of long-term loans	14	-	333,333,333	-	333,333,333
Other current liabilities	17	187,906,487	166,811,752	174,615,689	156,477,364
<b>Total current liabilities</b>		<b>1,604,570,012</b>	<b>2,458,045,985</b>	<b>1,394,926,331</b>	<b>2,144,894,047</b>
<i>Non-current liabilities</i>					
Long-term loans	14	3,000,389,631	3,094,919,667	3,000,389,631	3,094,919,667
Employee benefit obligations	18	96,151,249	85,465,055	96,151,249	85,465,055
<b>Total non-current liabilities</b>		<b>3,096,540,880</b>	<b>3,180,384,722</b>	<b>3,096,540,880</b>	<b>3,180,384,722</b>
<b>Total liabilities</b>		<b>4,701,110,892</b>	<b>5,638,430,707</b>	<b>4,491,467,211</b>	<b>5,325,278,769</b>
<i>Equity</i>					
Share capital:	19				
Authorised share capital		7,111,160,664	7,111,160,664	7,111,160,664	7,111,160,664
Issued and paid-up share capital		7,111,160,664	7,111,160,664	7,111,160,664	7,111,160,664
Additional paid-in capital:					
Premium on ordinary shares	19	1,303,712,790	1,303,712,790	1,303,712,790	1,303,712,790
Retained earnings:					
Appropriated					
Legal reserve	20	711,116,066	711,116,066	711,116,066	711,116,066
Unappropriated		5,870,309,466	6,917,044,918	7,159,827,201	8,123,678,320
Other components of equity		75,310,261	101,948,390	(1,590,840)	(2,535,390)
<b>Total equity</b>		<b>15,071,609,247</b>	<b>16,144,982,828</b>	<b>16,284,225,881</b>	<b>17,247,132,450</b>
<b>Total liabilities and equity</b>		<b>19,772,720,139</b>	<b>21,783,413,535</b>	<b>20,775,693,092</b>	<b>22,572,411,219</b>

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

# Vinythai Public Company Limited and its Subsidiaries

## Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2014	2013	2014	2013
		(in Baht)			
<b>Income</b>	4				
Revenue from sale of goods	25	17,742,038,864	17,332,296,825	14,929,681,730	14,847,701,338
Interest income		27,915,368	41,518,483	192,356,715	199,651,033
Gain from exchange rate		20,848,179	40,153,566	7,529,210	35,287,712
Other income, net		56,289,997	82,683,819	191,694,805	220,906,029
<b>Total income</b>	21	<b>17,847,092,408</b>	<b>17,496,652,693</b>	<b>15,321,262,460</b>	<b>15,303,546,112</b>
<b>Expenses</b>	4, 23				
Cost of sales of goods	8	16,376,559,432	15,939,418,418	13,940,966,877	13,478,672,931
Selling expenses		830,611,957	848,135,058	559,643,116	575,054,495
Administrative expenses		352,395,045	412,437,527	308,389,431	345,219,385
Impairment loss on plant and equipment and intangible assets	11, 12	1,365,149,145	-	-	-
Impairment loss on investment in subsidiary	10	-	-	1,416,400,330	-
Doubtful debt expense		-	-	101,400,000	-
Finance costs		157,206,544	163,367,184	147,401,266	162,595,647
<b>Total expenses</b>		<b>19,081,922,123</b>	<b>17,363,358,187</b>	<b>16,474,201,020</b>	<b>14,561,542,458</b>
<b>Share of profit (loss) of investment in associate</b>	9	<b>743,356</b>	<b>(752,404)</b>	<b>-</b>	<b>-</b>
<b>Profit (loss) before income tax expense</b>		<b>(1,234,086,359)</b>	<b>132,542,102</b>	<b>(1,152,938,560)</b>	<b>742,003,654</b>
Income tax benefits	24	270,361,871	65,629,655	272,098,405	90,974,451
<b>Profit (loss) for the year</b>		<b>(963,724,488)</b>	<b>198,171,757</b>	<b>(880,840,155)</b>	<b>832,978,105</b>

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

# Vinythai Public Company Limited and its Subsidiaries

## Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2014	2013	2014	2013
		(in Baht)			
<b>Other comprehensive income</b>					
Foreign currency translation differences for foreign operations		(29,377,879)	127,260,745	-	-
Effective portion of changes in fair value of cash flow hedges		2,739,750	(6,338,538)	944,550	(3,525,688)
Defined benefit plan actuarial losses	24	(7,158,584)	(5,217,784)	(7,158,584)	(5,217,784)
<b>Other comprehensive income (loss) for the year, net of income tax</b>		<b>(33,796,713)</b>	<b>115,704,423</b>	<b>(6,214,034)</b>	<b>(8,743,472)</b>
<b>Total comprehensive income for the year</b>		<b>(997,521,201)</b>	<b>313,876,180</b>	<b>(887,054,189)</b>	<b>824,234,633</b>
<b>Profit (loss) attributable to:</b>					
Owners of the Company		(963,724,488)	198,171,757	(880,840,155)	832,978,105
<b>Profit (loss) for the year</b>		<b>(963,724,488)</b>	<b>198,171,757</b>	<b>(880,840,155)</b>	<b>832,978,105</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Owners of the Company		(997,521,201)	313,876,180	(887,054,189)	824,234,633
<b>Total comprehensive income (loss) for the year</b>		<b>(997,521,201)</b>	<b>313,876,180</b>	<b>(887,054,189)</b>	<b>824,234,633</b>
<b>Basic earnings (loss) per share</b>	26	<b>(0.81)</b>	<b>0.17</b>	<b>(0.74)</b>	<b>0.70</b>

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



## Vinythai Public Company Limited and its Subsidiaries

### Statement of changes in equity

Consolidated financial statements									
Retained earnings					Other components of equity				
Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated	Currency translation differences (in Baht)	Cash flow hedges	Differences on combination of business under common control		
							Total other components of equity	Total	equity
Year ended 31 December 2013									
Balance at 1 January 2013	7,111,160,664	1,303,712,790	675,289,196	7,774,443,403	(6,721,933)	1,864,644	(14,116,528)	(18,973,817)	16,845,632,236
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Dividends to owners of the Company	27	-	-	-	(1,014,525,588)	-	-	-	(1,014,525,588)
Total transactions with owners, recorded directly in equity		-	-	-	(1,014,525,588)	-	-	-	(1,014,525,588)
Comprehensive income for the year									
Profit		-	-	-	198,171,757	-	-	-	198,171,757
Other comprehensive income (loss)		-	-	-	(5,217,784)	127,260,745	(6,338,538)	120,922,207	115,704,423
Total comprehensive income for the year		-	-	-	192,953,973	127,260,745	(6,338,538)	120,922,207	313,876,180
Transfer to legal reserve		-	-	35,826,870	(35,826,870)	-	-	-	-
Balance 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)	101,948,390	16,144,982,828

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

## Vinythai Public Company Limited and its Subsidiaries

### Statement of changes in equity

Consolidated financial statements									
Retained earnings				Other components of equity					
					Currency translation differences (in Baht)	Cash flow hedges	Differences on combination of business under common control	Total other components of equity	
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated					Total equity
Year ended 31 December 2014									
Balance at 1 January 2014	7,111,160,664	1,303,712,790	711,116,066	6,917,044,918	120,538,812	(4,473,894)	(14,116,528)	101,948,390	16,144,982,828
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Dividends to owners of the Company	27	-	-	(75,852,380)	-	-	-	-	(75,852,380)
Total transactions with owners, recorded directly in equity	-	-	-	(75,852,380)	-	-	-	-	(75,852,380)
Comprehensive income for the year									
Loss	-	-	-	(963,724,488)	-	-	-	-	(963,724,488)
Other comprehensive income (loss)	-	-	-	(7,158,584)	(29,377,879)	2,739,750	-	(26,638,129)	(33,796,713)
Total comprehensive income for the year	-	-	-	(970,883,072)	(29,377,879)	2,739,750	-	(26,638,129)	(997,521,201)
Balance at 31 December 2014	7,111,160,664	1,303,712,790	711,116,066	5,870,309,466	91,160,933	(1,734,144)	(14,116,528)	75,310,261	15,071,609,247

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

## Vinythai Public Company Limited and its Subsidiaries

### Statement of changes in equity

	Separate financial statements					
	Retained earnings			Other component of equity		
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Cash flow hedges	Total equity	
<i>(in Baht)</i>						
Note						
Year ended 31 December 2013						
Balance at 1 January 2013	7,111,160,664	1,303,712,790	675,289,196	8,346,270,457	990,298	17,437,423,405
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners of the Company</i>						
Dividends to owners of the Company	-	-	-	(1,014,525,588)	-	(1,014,525,588)
27						
Total contributions by and distributions to owners of the Company	-	-	-	(1,014,525,588)	-	(1,014,525,588)
Comprehensive income for the year						
Profit	-	-	-	832,978,105	-	832,978,105
Other comprehensive loss	-	-	-	(5,217,784)	(3,525,688)	(8,743,472)
Total comprehensive income for the year	-	-	-	827,760,321	(3,525,688)	824,234,633
Transfer to legal reserve						
	-	-	35,826,870	(35,826,870)	-	-
Balance 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 these financial statements.

## Vinythai Public Company Limited and its Subsidiaries

### Statement of changes in equity

	Separate financial statements					
	Retained earnings			Other component of equity		
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Cash flow hedges	Total equity	
<i>(in Baht)</i>						
Note						
Year ended 31 December 2014						
Balance at 1 January 2014	7,111,160,664	1,303,712,790	711,116,066	8,123,678,320	(2,535,390)	17,247,132,450
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners of the Company</i>						
Dividends to owners of the Company	-	-	-	(75,852,380)	-	(75,852,380)
27						
Total contributions by and distributions to owners of the Company	-	-	-	(75,852,380)	-	(75,852,380)
Comprehensive income for the year						
Loss	-	-	-	(880,840,155)	-	(880,840,155)
Other comprehensive income (loss)	-	-	-	(7,158,584)	944,550	(6,214,034)
Total comprehensive income for the year	-	-	-	(887,998,739)	944,550	(887,054,189)
Balance at 31 December 2014	7,111,160,664	1,303,712,790	711,116,066	7,159,827,201	(1,590,840)	16,284,225,881

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



# Vinythai Public Company Limited and its Subsidiaries

## Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2014	2013	2014	2013
	(in Baht)			
<b>Cash flows from operating activities</b>				
Profit (loss) for the year	(963,724,488)	198,171,757	(880,840,155)	832,978,105
<i>Adjustments for</i>				
Depreciation and amortisation	1,433,364,368	1,398,193,244	1,107,495,069	1,077,030,534
Impairment losses on plant and equipment and intangible assets	1,365,149,146	-	-	-
Impairment losses on investment in subsidiary	-	-	1,416,400,330	-
Doubtful debt expense	-	-	101,400,000	-
Amortisation of arrangement fee for long-term loan	1,379,761	1,379,763	-	-
Interest income	(27,915,368)	(41,518,483)	(192,356,715)	(199,651,033)
Finance costs	157,206,544	163,367,184	147,401,266	162,595,647
Unrealised loss on exchange	8,955,151	3,588,581	9,025,869	-
(Reversal of) allowance for decline in value of inventories	29,275,354	(7,887,084)	34,723,904	(3,654,173)
Loss on disposals of plant and equipment	13,996,120	17,905,021	13,872,423	17,905,022
Share of profit (loss) of investment in associate	(743,356)	752,404	-	-
Income tax benefits	(270,361,871)	(65,629,655)	(272,098,405)	(90,974,451)
Employee benefit obligations	10,242,834	9,347,847	10,242,834	9,347,847
	<u>1,756,824,195</u>	<u>1,677,670,579</u>	<u>1,495,266,420</u>	<u>1,805,577,498</u>

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

# Vinythai Public Company Limited and its Subsidiaries

## Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2014	2013	2014	2013
	(in Baht)			
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivable	617,357,735	(453,629,618)	669,852,613	(421,297,723)
Other receivables	(17,151,258)	13,930,123	7,825,530	(3,387,552)
Inventories	13,107,088	(122,816,326)	36,234,254	(101,639,672)
Other current assets	25,780,303	(98,387,123)	26,377,989	(26,944,836)
Other non-current assets	6,324,150	(111,192)	2,113,676	954,265
Trade accounts payable	(460,154,015)	404,622,882	(458,610,982)	304,470,287
Other payables	(62,444,097)	36,949,111	35,527,233	165,829,495
Other liabilities	21,094,735	23,601,627	18,138,325	19,366,036
Employee benefit paid	(8,504,871)	(501,300)	(8,504,871)	(501,300)
Income tax paid	(1,736,743)	(6,326,333)	-	(6,295,730)
<b>Net cash from operating activities</b>	<u>1,890,497,222</u>	<u>1,475,002,430</u>	<u>1,824,220,187</u>	<u>1,736,130,768</u>
<b>Cash flows from investing activities</b>				
Interest received	29,643,946	41,971,780	189,038,155	198,608,339
Purchase of plant and equipment	(613,355,880)	(753,062,746)	(367,493,481)	(316,265,672)
Purchase intangible assets	(1,866,166)	(240,294,495)	(1,866,166)	(1,362,317)
Sale of plant and equipment	1,134,058	1,193,163	1,134,058	1,193,163
Interest expense capitalised as part of construction in progress	-	(1,184,816)	-	-
Advance payment for construction in progress	-	(364,590,371)	-	-
Net increase in short-term loans to subsidiary	-	-	(350,000,000)	(400,000,000)
Net (increase) decrease in long-term loans to subsidiaries	-	-	19,104,529	(127,053,600)
<b>Net cash used in investing activities</b>	<u>(584,444,042)</u>	<u>(1,315,967,485)</u>	<u>(510,082,905)</u>	<u>(644,880,087)</u>

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

# Vinythai Public Company Limited and its Subsidiaries

## Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2014	2013	2014	2013
<i>(in Baht)</i>					
<b>Cash flows from financing activities</b>					
Finance costs paid		(155,539,784)	(148,925,099)	(145,734,506)	(148,925,099)
Dividends to owners of the Company		(75,852,380)	(1,014,525,588)	(75,852,380)	(1,014,525,588)
Proceeds from long-term loans		375,501,000	428,253,000	375,501,000	428,253,000
Repayment of long-term loans		(810,000,000)	-	(810,000,000)	-
<b>Net cash used in financing activities</b>		<b>(665,891,164)</b>	<b>(735,197,687)</b>	<b>(656,085,886)</b>	<b>(735,197,687)</b>
Currency translation differences		6,276,093	87,727,275	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>646,438,109</b>	<b>(488,435,467)</b>	<b>658,051,396</b>	<b>356,052,994</b>
Cash and cash equivalents at 1 January		1,502,660,862	1,991,096,329	1,152,356,377	796,303,383
Effect of exchange rate changes on balances held in foreign currencies		1,583	-	1,583	-
<b>Cash and cash equivalents at 31 December</b>	<b>5</b>	<b><u>2,149,100,554</u></b>	<b><u>1,502,660,862</u></b>	<b><u>1,810,409,356</u></b>	<b><u>1,152,356,377</u></b>
<b>Non-cash transaction</b>					
Payables for plant and equipment purchased		13,979,510	34,275,532	9,108,685	22,528,441

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

# Vinythai Public Company Limited and its Subsidiaries

## Notes to consolidated financial statements



# Vinythai Public Company Limited and its Subsidiaries

## Notes to consolidated financial statements

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These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 12 February 2015.

### 1. General Information

Vinythai Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at No. 2, I-3 Road, Tambol Map Ta Phut, Amphur Muang, Rayong 21150.

The Company was listed on the Stock Exchange of Thailand in February 1995.

The Company’s major shareholders during the financial year were Solvay Vinyls Holding AG (59% shareholding) which is incorporated in Switzerland and PTT Global Chemical Public Company Limited (25% shareholding) which is incorporated in Thailand.

The principal activities of the Group are the manufacturing and distributing of Polyvinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Sodium Hydroxide (caustic soda) and Epichlorohydrin. Details of the Company’s subsidiaries and associate as at 31 December 2014 and 2013 are given in notes 4, 9 and 10.

### 2. Basis of preparation of the financial statements

#### (a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group's operations and effective for annual accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 10	Interim Financial Reporting and Impairment
TIC 15	Operating Leases-Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 31.

*(b) Basis of measurement*

The financial statements have been prepared on the historical cost basis except derivative financial instrument are measured at fair value.

*(c) Functional and presentation currency*

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

*(d) Use of estimates and judgements*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 13 and 24	Current and deferred taxation and utilisation of tax losses
Note 10	Key assumptions used in discounted cash flow projections
Note 11 and 12	Key assumptions used for impairment testing of plant and equipment and intangible assets
Note 18	Measurement of defined benefit obligations
Note 28	Valuation of financial instruments

**3. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

*(a) Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associate.



### *Acquisitions from entities under common control*

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognised as part of share premium. Any cash paid for the acquisition is recognised directly in equity.

### *Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

### *Associates*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% to 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investees, the Group's carrying amount is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investees.

### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### *(b) Foreign currencies*

#### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at cost in foreign currencies are translated the functional currency at the exchange rates at the date of the transactions.

Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective are recognized in other comprehensive income.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates ruling at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

### *(c) Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

#### *(d) Hedging*

##### *Cash flow hedges*

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative financial instrument is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion is recognised immediately in profit or loss.

When a hedged forecast transaction occurs and results in the recognition of a financial asset or financial liability, the gain or loss recognised in other comprehensive income does not adjust the initial carrying amount of the asset or liability but remains in equity and is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

#### *(e) Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

#### *(f) Trade and other receivables*

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

#### *(g) Inventories*

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

#### *(h) Investments*

##### *Investments in subsidiaries and associate*

Investments in subsidiaries and associate in the separate financial statements of the Company are accounted for using the cost method. Investment in associate in the consolidated financial statements is accounted for using the equity method.

##### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

#### *(i) Property, plant and equipment*

##### *Recognition and measurement*

##### *Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

##### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.



### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Lease land improvements	50	years
Buildings and building improvements	10 - 50	years
Machinery and equipment	5 - 30	years
Furniture, fixtures and office equipment	3 - 30	years
Transportation equipment	5 - 10	years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### *(j) Intangible assets*

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in profit or loss as incurred.

### *Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Patents	15 - 20	years
Software licenses	5 - 10	years
Leasehold right for land	50	years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### *(k) Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

### *Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

### *Reversals of impairment*

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### *(l) Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at cost.

### *(m) Trade and other payables*

Trade and other payables are stated at cost.

### *(n) Employee benefits*

### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

### *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the

amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

#### *Other long-term employee benefits*

The net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

#### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

#### *(o) Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### *(p) Revenue*

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

#### *Sale of goods and services rendered*

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

#### *Dividend income*

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

#### *Interest income*

Interest income is recognised in profit or loss as it accrues.

#### *(q) Finance costs*

Finance costs comprise interest expense on borrowings that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

#### *(r) Lease payments*

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

#### *Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an



asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(s) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current tax and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(u) *Segment reporting*

Segment results that are reported to the Group's Managing Director (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4. *Related parties*

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries and associate are described in notes 9 and 10. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation / Nationality	Nature of relationship
Solvay Vinyls Holding AG	Switzerland	Major shareholder, 59% shareholding
PTT Global Chemical Public Company Limited	Thailand	Major shareholder, 25% shareholding
Advanced Biochemical (Thailand) Company Limited	Thailand	Subsidiary, 100% shareholding
Vinythai Holding Pte. Limited	Singapore	Subsidiary, 100% shareholding
Solvay Biochemicals (Taixing) Limited	China	Indirect subsidiary, 100% shareholding by subsidiary
Pimai Salt Company Limited	Thailand	Associate
Solvay Peroxythai Limited	Thailand	Related company
Solvay S.A. and Solvay Group Companies	Belgium, Japan, America, Korea, China, India, France, Italy, Singapore, Germany, Russia, South Africa and Spain	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
Key management personnel	Thailand, Belgian, Italian, German and French	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

The pricing policies for transactions with related parties are explained further below:

#### Transactions

#### Pricing policies

#### Subsidiaries

Revenue from sale of goods  
Interest income  
Service income, net  
Revenue from sale of spare parts  
Purchase of raw materials  
Purchase of property, plant and equipment  
Other manufacturing and operating expenses

With reference to market price  
Contract rate and market rate  
Contract price  
With reference to market price  
Market price  
Net book value  
Normal market rate

#### Associate

Purchase of raw materials

Contract price of salt which approximate production cost

#### Other related parties

Revenue from sale of goods  
Interest income  
Service income  
Purchase of raw materials  
  
Purchase of spare parts, services expenses and other manufacturing expenses  
License and technical assistance service expenses  
Insurance premium, commission expenses and operating expenses  
Interest expense

With reference to market price  
Contract rate and market rate  
Normal market rate  
Average Ethylene market prices in major regions worldwide and market price  
Market price  
  
Contract rate  
  
Contract rate  
  
Commercial rate

Significant transactions for the years ended 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
Year ended 31 December	2014	2013	2014	2013
	(in thousand Baht)			
Subsidiaries				
Revenue from sale of goods	-	-	642,294	658,248
Interest income	-	-	166,474	164,234
Service income, net	-	-	196,442	236,815
Revenue from sale of spare parts	-	-	6,090	4,982
Purchase of raw materials	-	-	157,049	130,327

	Consolidated financial statements		Separate financial statements	
Year ended 31 December	2014	2013	2014	2013
	(in thousand Baht)			
Associate				
Purchase of raw materials	450,449	447,507	450,449	447,507
Other related parties				
Revenue from sale of goods	1,504,671	1,765,420	151,268	141,075
Interest income	58	245	58	245
Service income	14,960	4,872	14,888	4,872
Purchase of raw materials	7,324,154	7,037,185	7,301,430	7,006,310
Purchase of spare parts, services expenses and other manufacturing expenses	88,962	85,980	59,326	47,315
License and technical assistance service expenses	38,262	28,747	38,262	28,747
Insurance premium, commission expenses and other operation expenses	182,241	375,814	2,381	11,104
Interest expense	-	-	4	5
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	102,688	95,443	87,146	85,280
Post-employment benefits	1,700	1,469	1,700	1,469



Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	45,836	48,622
Other related parties	39,408	101,481	19,639	22,214
<b>Total</b>	<b>39,408</b>	<b>101,481</b>	<b>65,475</b>	<b>70,836</b>

<i>Other receivables from related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	18,887	35,652
Other related parties	32,652	19,985	22,893	13,639
<b>Total</b>	<b>32,652</b>	<b>19,985</b>	<b>41,780</b>	<b>49,291</b>

Loans to related parties	Interest rate		Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013	2014	2013
	( % per annum)		(in thousand Baht)			
Subsidiaries						
Short-term loans	2.22 – 2.42	2.40 – 2.71	-	-	1,600,000	1,250,000
Long-term loans	4.7 and THBFIX +fixed rate	4.7 and THBFIX +fixed rate	-	-	3,107,949	3,127,053
Less allowance for doubtful accounts			-	-	(101,400)	-
			-	-	3,006,549	3,127,053
Total loans to related parties-net			-	-	4,606,549	4,377,053
Doubtful debts expense for the year			-	-	101,400	-

The Group recorded an allowance for doubtful accounts of long-term loan to subsidiary of Baht 101.4 million in the separate statement of comprehensive income for the year ended 31 December 2014 (see note 10).

Movements during the years ended 31 December of loans to related parties were as follows:

<i>Short-term loans to related party</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
At 1 January	-	-	1,250,000	850,000
Increase	-	-	450,000	1,421,153
Decrease	-	-	(100,000)	(1,021,153)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>1,600,000</b>	<b>1,250,000</b>

<i>Long-term loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
At 1 January	-	-	3,127,053	3,000,000
Increase	-	-	314,229	1,770,000
Decrease	-	-	(333,333)	(1,642,947)
Less allowance for doubtful accounts	-	-	(101,400)	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>3,006,549</b>	<b>3,127,053</b>

<i>Trade accounts payable to related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	12,429	17,145
Associate	36,552	40,934	36,552	40,934
Other related parties	485,981	994,295	470,332	990,178
<b>Total</b>	<b>522,533</b>	<b>1,035,229</b>	<b>519,313</b>	<b>1,048,257</b>

<i>Other payables to related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	-	40
Other related parties	46,302	74,412	5,384	5,472
<b>Total</b>	<b>46,302</b>	<b>74,412</b>	<b>5,384</b>	<b>5,512</b>

### Significant agreements with related parties

#### Short-term loans to subsidiary

As at 31 December 2014, the outstanding balances represented loans 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 loan agreement of Baht 4,500 million with its subsidiary, Advanced Biochemical (Thailand) Company Limited, to finance the investment project. The loan is repayable in 14 semi-annual installments commencing from 2013 carrying interest at a floating rate based on THBFX plus a certain percentage. The subsidiary may prepay all or any part of any loan with the amount and condition as specified in the loan agreements. The subsidiary has prepaid part of loan due in 2015 already, so there is no current portion of long-term loans to subsidiary as at 31 December 2014.

On 17 June 2013, the Company has entered into loan agreement of RMB 180 million with its subsidiary, Solvay Biochemicals (Taixing) Limited, to finance the investment project. The loan is repayable in 9 semi-annual installments commencing from 2016 carrying interest at a fixed rate of 4.7% per annum. Up to 31 December 2014, the subsidiary has drawn down a total of RMB 110 million from this facility.

#### Lease agreement

On 1 December 2005, the Company and its subsidiaries entered into the inventory tank lease agreements with a related company. Thereafter, on 2 November 2011, both parties had agreed to amend the certainw stipulated terms of the original contract. In consideration thereof, the Company and its subsidiaries shall pay the service fee as specified in the agreement. The term of agreement is for a period of 15 years starting from January 2012 to January 2027.

#### License and technical assistance services agreement

As at 31 December 2014, the Company and its subsidiaries entered into license and technical assistance services agreements with Solvay S.A. for the purpose of construction of a new plant and expansion of production capacity. The Company and its subsidiaries shall pay the service fee as specified in the agreements.

#### Right of way and service agreement

On 1 May 2010, the Company entered into a right of way and service agreement with its subsidiary, Advanced Biochemical (Thailand) Company Limited, whereby the Company agrees to provide rights of way over the Company's land and the Company agrees to provide services, equipment, facilities, space and access to the subsidiary, and the subsidiary hereby agrees and accepts the services and right of way from the Company. In consideration thereof, the subsidiary shall pay service fee as specified in the agreement. This agreement is for a period of 3 years after which this agreement shall be automatically renewed for successive periods of 3 years. Either party may terminate this agreement by giving notice in writing not less than 6 months before the date of expiry.

### Service contracts

On 10 March 2014, the Company entered into service contracts with certain related parties whereby the Company agreed to provide various treasury services to those related parties. In consideration thereof, the Company shall receive service incomes as specified in the contracts. These contracts are for a period of 1 year commencing on 1 April 2014 and shall be automatically renewed for another 1 year each. Either party may terminate these contracts by giving notice in writing not less than 3 months before the date of expiry.

## 5. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Cash on hand	168	194	148	174
Cash at banks - current and savings accounts	1,774,105	1,072,424	1,435,433	840,644
Highly liquid short - term investments	374,828	430,043	374,828	311,538
<b>Total</b>	<b>2,149,101</b>	<b>1,502,661</b>	<b>1,810,409</b>	<b>1,152,356</b>

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Thai Baht (THB)	1,578,994	1,183,442	1,400,537	840,533
Chinese Yuan (CNY)	448,596	-	374,828	311,538
United States Dollars (USD)	86,387	7,681	35,044	285
Euro (EUR)	35,124	311,538	-	-
<b>Total</b>	<b>2,149,101</b>	<b>1,502,661</b>	<b>1,810,409</b>	<b>1,152,356</b>



## 6. Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related parties	4	39,408	101,481	65,475	70,836
Other parties		2,429,375	2,982,581	2,144,202	2,806,408
<b>Total</b>		<b>2,468,783</b>	<b>3,084,062</b>	<b>2,209,677</b>	<b>2,877,244</b>
Less allowance for doubtful accounts		(444,401)	(444,401)	(444,401)	(444,401)
<b>Net</b>		<b>2,024,382</b>	<b>2,639,661</b>	<b>1,765,276</b>	<b>2,432,843</b>

### *Accounts receivable purchase agreement*

As at 31 December 2014, the Company had assigned its rights over collection from account receivable amounted of Baht 88.8 million to a financial institution according to the accounts receivable purchase agreement with the rate as stipulated in the agreement. In this regards, the purchaser shall not have any right of recourse against the seller.

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Related parties</b>				
Within credit terms	38,476	95,753	56,309	65,660
Overdue:				
Less than 3 months	932	5,728	9,166	5,176
	<b>39,408</b>	<b>101,481</b>	<b>65,475</b>	<b>70,836</b>
<b>Other parties</b>				
Within credit terms	1,879,203	2,111,812	1,606,033	1,935,639
Overdue:				
Less than 3 months	115,771	436,413	103,768	436,413
Over 12 months	434,401	434,356	434,401	434,356
	<b>2,429,375</b>	<b>2,982,581</b>	<b>2,144,202</b>	<b>2,806,408</b>
Less allowance for doubtful accounts	(444,401)	(444,401)	(444,401)	(444,401)
	<b>1,984,974</b>	<b>2,538,180</b>	<b>1,699,801</b>	<b>2,362,007</b>
<b>Net</b>	<b>2,024,382</b>	<b>2,639,661</b>	<b>1,765,276</b>	<b>2,432,843</b>

The normal credit term granted by the Group ranges from 30 days to 60 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	1,956,185	2,511,848	1,944,065	2,509,386
United States Dollars (USD)	495,069	557,477	265,612	367,858
Japanese Yens (JPY)	14,635	14,737	-	-
Euro (EUR)	2,894	-	-	-
<b>Total</b>	<b>2,468,783</b>	<b>3,084,062</b>	<b>2,209,677</b>	<b>2,877,244</b>

## 7. Other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related parties	4	32,652	19,985	41,780	49,291
Other parties		2,430	-	2,358	1,682
<b>Total</b>		<b>35,082</b>	<b>19,985</b>	<b>44,138</b>	<b>50,973</b>

The currency denominations of other receivables as at 31 December was as follows:

		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Thai Baht (THB)		12,087	3,116	25,262	24,997
Euro (EUR)		11,347	8,154	1,588	8,690
United States Dollars (USD)		10,151	8,715	11,333	2,369
Chinese Yuan (CNY)		1,497	-	5,955	14,917
<b>Total</b>		<b>35,082</b>	<b>19,985</b>	<b>44,138</b>	<b>50,973</b>

## 8. Inventories

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Finished goods	468,841	517,384	382,878	433,470
Raw materials	160,823	189,040	129,777	115,762
Packaging	3,789	2,336	3,789	2,336
Spare parts	222,237	213,063	206,223	207,333
Goods in transit	53,026	-	-	-
<b>Total</b>	<b>908,716</b>	<b>921,823</b>	<b>722,667</b>	<b>758,901</b>
Less allowance for decline in value and slow-moving	(46,422)	(17,147)	(45,724)	(11,000)
<b>Net</b>	<b>862,294</b>	<b>904,676</b>	<b>676,943</b>	<b>747,901</b>

Inventories recognised as an expense				
in cost of sale of goods:				
- Cost	16,347,284	15,947,305	13,906,243	13,482,327
- (Reversal of) write-down to net realisable value	29,275	(7,887)	34,724	(3,654)
<b>Net total</b>	<b>16,376,559</b>	<b>15,939,418</b>	<b>13,940,967</b>	<b>13,478,673</b>

## 9. Investment in associate

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	383,552	384,305	397,678	397,678
Share of profit (loss) of investment in associate	744	(753)	-	-
<b>At 31 December</b>	<b>384,296</b>	<b>383,552</b>	<b>397,678</b>	<b>397,678</b>



Investment in associate as at 31 December 2014 and 2013, and dividend income from this investment for the years then ended were as follows:

Consolidated financial statements										
Associate	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(in thousand Baht)									
Pimai Salt Company Limited	28.49	28.49	193,892	193,892	397,678	397,678	384,296	383,552	-	-
Separate financial statements										
Associate	Ownership interest		Paid-up capital		Cost		Impairment		At cost-net	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(in thousand Baht)									
Pimai Salt Company Limited	28.49	28.49	193,892	193,892	397,678	397,678	-	-	397,678	397,678

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended were as follows:

Type of business		Ownership interest		Paid-up capital		Cost method		Impairment		At cost-net		Dividend income	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
(in thousand Baht)													
Subsidiaries													
AdvancedBiochemical (Thailand) Company Limited	Manufacturing and trading of chemical products	100	100	Baht	Baht	1,454,098	1,454,098	-	-	1,454,098	1,454,098	-	-
				1,500	1,500								
				million	million								
Vinythai Holding Pte. Limited	Holding Company	100	100	RMB	RMB	1,416,400	1,416,400	(1,416,400)	-	-	1,416,400	-	-
				287	287								
				million	million								
Indirect subsidiary													
Solvay Biochemicals (Taixing) Limited	Manufacturing and trading of chemical products	100	100	RMB	RMB	1,410,708	1,410,708	(1,410,708)	-	-	1,410,708	-	-
				287	287								
				million	million								

On 29 August 2013, the Board of director meeting of the Company had unanimously approved to put off the construction project of Epichlorohydrin plant, located in Taixing Economic Development Zone, Jiangsu province, People's Republic of China, of Solvay Biochemicals (Taixing) Limited ("SBT"), which is the indirect subsidiary of the Company via Vinythai Holding Pte. Limited ("VNTH"), for some certain period due to the volatility of pricing and supply while evaluating alternatives that would optimize returns for the project.

However, during the year 2014, as the business conditions in China had not improved, the decision to re-start has been deferred for some additional time. These are the indicator that the value of investment in VNTH, the subsidiary, which presented in the separated financial statement, the net book value of plant and equipment, intangible asset and advance payment for construction in progress, which presented in the consolidated financial statement as at 31 December 2014 might be impaired. Therefore, the management of SBT assessed the recoverable amount of plant and equipment, intangible asset and advance payment for construction in progress and determined the fair value less cost to sell by the independent appraisal based on the market comparison approach for leasehold right for land and intangible assets and on the cost approach for plant and equipment and advance payment for construction in progress.

Based on the result of the assessment, SBT recorded an allowance for impairment loss on plant and equipment of Baht 1,030.1 million, intangible asset of Baht 224.4 million and the advance payment for construction in progress of Baht 110.7 million or totalling to Baht 1,365.1 million in the consolidated statement of comprehensive income for the year ended 31 December 2014 and the Company recorded an allowance for impairment loss on investment in VNTH of Baht 1,416.4 million and recorded an allowance for doubtful accounts of long-term loan to subsidiary of Baht 101.4 million in the separated statement of comprehensive income for the year ended 31 December 2014.

The records of an allowance for impairment loss and allowance for doubtful accounts resulted in the reduction of the Group's financial performance as compared with the previous year, but would have no cash flow consequences and no effect on any covenants in the debt facility.



## 11. Property, plant and equipment

### Consolidated financial statements

	Land	Lease land improvement	Building and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Asset under construction and machinery under installation	Total
<b>Cost</b>								
At 1 January 2013	2,909	589,882	2,103,269	21,505,312	289,464	6,677	665,528	25,163,041
Additions	-	-	-	-	1,123	-	771,900	773,023
Transfers	-	-	58,280	449,487	13,173	-	(520,940)	-
Disposals	-	-	(2,499)	(42,331)	(606)	-	-	(45,436)
Foreign currency translation	-	-	-	-	2	-	36,978	36,980
<b>At 31 December 2013 and 1 January 2014</b>	<b>2,909</b>	<b>589,882</b>	<b>2,159,050</b>	<b>21,912,468</b>	<b>303,156</b>	<b>6,677</b>	<b>953,466</b>	<b>25,927,608</b>
Additions	-	-	-	1,661	39	-	591,359	593,059
Transfers	-	-	2,958	265,289	428	-	97,348	366,023
Disposals	-	-	(2,489)	(33,873)	(8,955)	(209)	-	(45,526)
Foreign currency translation	-	-	-	-	(36)	-	(35,945)	(35,981)
<b>At 31 December 2014</b>	<b>2,909</b>	<b>589,882</b>	<b>2,159,519</b>	<b>22,145,545</b>	<b>294,632</b>	<b>6,468</b>	<b>1,606,228</b>	<b>26,805,183</b>

### Depreciation and impairment losses

At 1 January 2013	-	214,695	483,424	8,788,894	244,923	6,677	-	9,738,613
Depreciation charge for the year	-	11,798	66,798	1,284,113	11,511	-	-	1,374,220
Disposals	-	-	(1,054)	(24,686)	(598)	-	-	(26,338)
Foreign currency translation	-	-	-	-	43	-	-	43

### Consolidated financial statements

	Land	Lease land improvement	Building and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Asset under construction and machinery under installation	Total
<b>Cost</b>								
At 31 December 2013 and 1 January 2014	-	226,493	549,168	10,048,321	255,879	6,677	-	11,086,538
Depreciation charge for the year	-	11,798	68,073	1,317,072	11,957	-	-	1,408,900
Impairment losses	-	-	(1,117)	(21,673)	(7,398)	(209)	-	(30,397)
Disposals	-	-	-	-	-	-	1,030,137	1,030,137
Foreign currency translation	-	-	-	-	208	-	4,064	4,272
<b>At 31 December 2014</b>	<b>-</b>	<b>238,291</b>	<b>616,124</b>	<b>11,343,720</b>	<b>260,646</b>	<b>6,468</b>	<b>1,034,201</b>	<b>13,499,450</b>
<b>Net book value</b>								
At 1 January 2013	2,909	375,187	1,619,845	12,716,418	44,541	-	665,528	15,424,428
At 31 December 2013 and 1 January 2014	2,909	363,389	1,609,882	11,864,147	47,277	-	953,466	14,841,070
At 31 December 2014	2,909	351,591	1,543,395	10,801,825	33,986	-	572,027	13,305,733

Separate financial statements

	Land	Lease land improvement	Building and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Asset under construction and machinery under installation	Total
<i>(in thousand Baht)</i>								
<b>Cost</b>								
At 1 January 2013	2,909	589,882	1,565,525	17,704,376	287,163	6,677	311,005	20,467,537
Additions	-	-	-	-	-	-	323,730	323,730
Transfers	-	-	48,943	401,126	13,173	-	(463,242)	-
Disposals	-	-	(2,499)	(42,331)	(606)	-	-	(45,436)
<b>At 31 December 2013 and</b>								
1 January 2014	2,909	589,882	1,611,969	18,063,171	299,730	6,677	171,493	20,745,831
Additions	-	-	-	-	-	-	354,074	354,074
Transfers	-	-	2,490	216,743	428	-	(219,661)	-
Disposals	-	-	(2,489)	(33,873)	(8,613)	(209)	-	(45,184)
<b>At 31 December 2014</b>	<b>2,909</b>	<b>589,882</b>	<b>1,611,970</b>	<b>18,246,041</b>	<b>291,545</b>	<b>6,468</b>	<b>305,906</b>	<b>21,054,721</b>
<b>Depreciation</b>								
At 1 January 2013	-	214,695	464,318	8,536,443	243,936	6,677	-	9,466,069
Depreciation charge for the year	-	11,798	45,666	1,005,569	10,579	-	-	1,073,612
Disposals	-	-	(1,054)	(24,686)	(598)	-	-	(26,338)

Separate financial statements

	Land	Lease land improvement	Building and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Asset under construction and machinery under installation	Total
<i>(in thousand Baht)</i>								
<b>At 31 December 2013 and</b>								
1 January 2014	-	226,493	508,930	9,517,326	253,917	6,677	-	10,513,343
Depreciation charge for the year	-	11,798	46,761	1,033,897	11,281	-	-	1,103,737
Disposals	-	-	(1,117)	(21,673)	(7,179)	(209)	-	(30,179)
<b>At 31 December 2014</b>	<b>-</b>	<b>238,291</b>	<b>554,574</b>	<b>10,529,550</b>	<b>258,018</b>	<b>6,468</b>	<b>-</b>	<b>11,586,901</b>
<b>Net book value</b>								
At 1 January 2013	2,909	375,187	1,101,207	9,167,933	43,227	-	311,005	11,001,468
At 31 December 2013 and								
1 January 2014	2,909	363,390	1,103,039	8,545,845	45,813	-	171,493	10,232,489
At 31 December 2014	2,909	351,591	1,057,396	7,716,491	33,527	-	305,906	9,467,820



The gross amount of the Group's and the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2014 amounted to Baht 513.8 million and Baht 513.0 million, respectively (2013: Baht 442.1 million and Baht 441.3 million, respectively).

The Group recorded an allowance for impairment loss on plant and equipment of Baht 1,030.1 million and advance payment for construction in progress of Baht 110.7 million in the consolidated statement of comprehensive income for the year ended 31 December 2014 (see note 10).

## 12. Intangible assets

	Consolidated financial statements				
	Patents	Software licenses	Leasehold right for land	Asset under installation	Total
	(in thousand Baht)				
<b>Cost</b>					
At 1 January 2013	356,246	60,130	22,719	-	439,095
Additions	229,871	-	9,061	1,363	240,295
Transfer	-	1,363	-	(1,363)	-
Foreign currency translation	-	-	2,275	-	2,275
<b>At 31 December 2013 and</b>					
1 January 2014	586,117	61,493	34,055	-	681,665
Additions	-	-	11,810	1,866	13,676
Transfers	-	1,866	-	(1,866)	-
Disposals	-	(120)	-	-	(120)
Foreign currency translation	(4,625)	-	(639)	-	(5,264)
<b>At 31 December 2014</b>	<b>581,492</b>	<b>63,239</b>	<b>45,226</b>	<b>-</b>	<b>689,957</b>

	Consolidated financial statements				
	Patents	Software licenses	Leasehold right for land	Asset under installation	Total
<b>Amortisation and impairment losses</b>					
At 1 January 2013	19,739	58,671	-	-	78,410
Amortisation charge for the year	22,817	643	514	-	23,974
Foreign currency translation	-	-	41	-	41
<b>At 31 December 2013 and</b>					
1 January 2014	42,556	59,314	555	-	102,425
Amortisation charge for the year	22,825	974	665	-	24,464
Disposals	-	(120)	-	-	(120)
Impairment losses	224,359	-	-	-	224,359
Foreign currency translation	885	-	(8)	-	877
<b>At 31 December 2014</b>	<b>290,625</b>	<b>60,168</b>	<b>1,212</b>	<b>-</b>	<b>352,005</b>
<b>Net book value</b>					
At 1 January 2013	336,507	1,459	22,719	-	360,685
At 31 December 2013 and					
1 January 2014	543,561	2,179	33,500	-	579,240
At 31 December 2014	290,867	3,071	44,014	-	337,952

	Separate financial statements			
	Patents	Software licenses	Asset under installation	Total
	(in thousand Baht)			
<b>Cost</b>				
At 1 January 2013	55,729	60,119	-	115,848
Additions	-	-	1,362	1,362
Transfers	-	1,362	(1,362)	-
<b>At 31 December 2013 and 1 January 2014</b>	<b>55,729</b>	<b>61,481</b>	<b>-</b>	<b>117,210</b>
Additions	-	-	1,866	1,866
Transfers	-	1,866	(1,866)	-
Disposals	-	(120)	-	(120)
<b>At 31 December 2014</b>	<b>55,729</b>	<b>63,227</b>	<b>-</b>	<b>118,956</b>
<b>Amortisation</b>				
At 1 January 2013	1,401	58,671	-	60,072
Amortisation charge for the year	2,787	632	-	3,419
<b>At 31 December 2013 and 1 January 2014</b>	<b>4,188</b>	<b>59,303</b>	<b>-</b>	<b>63,491</b>
Amortisation charge for the year	2,787	971	-	3,758
Disposals	-	(120)	-	(120)
<b>At 31 December 2014</b>	<b>6,975</b>	<b>60,154</b>	<b>-</b>	<b>67,129</b>
<b>Net book value</b>				
At 1 January 2013	54,328	1,448	-	55,776
At 31 December 2013 and 1 January 2014	51,541	2,178	-	53,719
At 31 December 2014	48,754	3,073	-	51,827

The Group recorded an allowance for impairment loss on intangible asset of Baht 224.4 million in the consolidated statement of comprehensive income for the year ended 31 December 2014 (see note 10).

### 13. Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated / Separate financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
	(in thousand Baht)			
Total	396,126	123,579	-	-
Set off of tax	-	-	-	-
<b>Net deferred tax assets</b>	<b>396,126</b>	<b>123,579</b>	<b>-</b>	<b>-</b>

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements		
	(Charged) / credited to		
	At 1 January 2014	Profit or loss Other comprehensive income	At 31 December 2014
	(in thousand Baht)		
<b>Deferred tax assets</b>			
Allowance for impairment loss on assets	5,963	-	5,963
Allowance for decline in value of inventories	2,200	6,945	9,145
Employee benefit obligations	17,093	347	19,230
Loss carry forward	96,000	265,000	361,000
Derivative liabilities	2,323	-	788
<b>Total</b>	<b>123,579</b>	<b>272,292</b>	<b>396,126</b>
<b>Net</b>	<b>123,579</b>	<b>272,292</b>	<b>396,126</b>



### Consolidated financial statements

At 1 January 2013	(Charged) / credited to		At 31 December 2013
	Profit or loss	Other comprehensive income	
	(in thousand Baht)		
5,963	-	-	5,963
2,931	(731)	-	2,200
14,019	1,770	1,304	17,093
25,827	70,173	-	96,000
-	-	2,323	2,323
<b>48,740</b>	<b>71,212</b>	<b>3,627</b>	<b>123,579</b>
(268)	-	268	-
<b>(268)</b>	<b>-</b>	<b>268</b>	<b>-</b>
<b>48,472</b>	<b>71,212</b>	<b>3,895</b>	<b>123,579</b>

### Separate financial statements

At 1 January 2014	(Charged) / credited to		At 31 December 2014
	Profit or loss	Other comprehensive income	
	(in thousand Baht)		
5,963	-	-	5,963
2,200	6,945	-	9,145
17,093	347	1,790	19,230
96,000	265,000	-	361,000
2,323	-	(1,535)	788
<b>123,579</b>	<b>272,292</b>	<b>255</b>	<b>396,126</b>
<b>123,579</b>	<b>272,292</b>	<b>255</b>	<b>396,126</b>

### Separate financial statements

	At 1 January 2013	(Charged) / credited to		At 31 December 2013
		Profit or loss	Other comprehensive income	
		(in thousand Baht)		
<i>Deferred tax assets</i>				
Allowance for impairment loss on assets	5,963	-	-	5,963
Allowance for decline in value of inventories	2,931	(731)	-	2,200
Employee benefit obligations	14,019	1,770	1,304	17,093
Loss carry forward	6,064	89,936	-	96,000
Derivative liabilities	-	-	2,323	2,323
<b>Total</b>	<b>28,977</b>	<b>90,975</b>	<b>3,627</b>	<b>123,579</b>
<i>Deferred tax liability</i>				
Derivative assets	(268)	-	268	-
<b>Total</b>	<b>(268)</b>	<b>-</b>	<b>268</b>	<b>-</b>
<b>Net</b>	<b>28,709</b>	<b>90,975</b>	<b>3,895</b>	<b>123,579</b>

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Allowance for doubtful account of trade accounts receivable	88,880	88,880	88,880	88,880
Allowance for doubtful account of long-term loans to subsidiary	-	-	20,280	-
Allowance for decline in value of inventories	139	1,229	-	-
Allowance for impairment loss on investment in subsidiary	-	-	283,280	-
Allowance for impairment loss on plant and equipment and intangible assets	342,634	-	-	-
Loss carry forward	538,501	223,370	265,027	-
<b>Total</b>	<b>970,154</b>	<b>313,479</b>	<b>657,467</b>	<b>88,880</b>

The tax losses expire during 2019 to 2030. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

However, the Group recognised deferred tax assets in respect of a portion of unused tax losses because the management believes that it is probable that future taxable profit arising from the improvement of the Group's operations and the expiration of double deducting expenses for certain promotional certificates will be available against which the Group can utilise the benefits.

## 14. Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Current</b>				
Current portion of long-term loans from				
financial institutions – unsecured	-	333,333	-	333,333
<b>Non-current</b>				
Long-term loans from				
financial institutions – unsecured	3,000,390	3,094,920	3,000,390	3,094,920
<b>Total interest-bearing liabilities</b>	<b>3,000,390</b>	<b>3,428,253</b>	<b>3,000,390</b>	<b>3,428,253</b>

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within one year	-	333,333	-	333,333
After one year but within five years	2,788,548	2,400,157	2,788,548	2,400,157
After five years	211,842	694,763	211,842	694,763
<b>Total</b>	<b>3,000,390</b>	<b>3,428,253</b>	<b>3,000,390</b>	<b>3,428,253</b>

As at 31 December 2014, The Group and the Company has unutilised credit facilities totalling amount RMB 240 million (2013: RMB 240 million).

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	2,047,100	2,857,100	2,047,100	2,857,100
Chinese Yuan (CNY)	953,290	571,153	953,290	571,153
<b>Total</b>	<b>3,000,390</b>	<b>3,428,253</b>	<b>3,000,390</b>	<b>3,428,253</b>



*Long term loans from financial institutions*

The Company entered into long-term agreements with financial institutions for the projects of the Group. Long-term loans presented as follows.

Date of loan agreement	Currency	Loan facility	Balance as at 31 December		Interest rate	Guarantee	Payment schedule
			2014	2013	(%)		
		(unit: million)	(in million Baht)				
11 February 2010	Baht	1,200	-	333	THBFIX + fixed rate	Unsecured	4 semi-annual installments commencing from the twenty forth month after the initial utilisation (30 June 2013)
		3,300	2,047	2,524	THBFIX + fixed rate	Unsecured	14 semi-annual installments commencing from the eighty forth month after the initial utilisation (30 June 2013)
27 March 2013	Renminbi	240	-	-	CNH-HIBOR + fixed rate	Unsecured	8 semi-annual installments commencing from the forty eight month after the initial utilization (As at 31 December 2014 not withdrawal)
17 June 2013	Renminbi	180	953	571	4.7	Unsecured	9 semi-annual installments commencing from the fifty forth month after the initial utilisation (1 November 2013)
			3,000	3,428			

The Company may prepay all or any part of any loan with the amount and condition as specified in the loan agreements. The Company has prepaid part of loan due in 2015 already, so there is no current portion of long-term loans as at 31 December 2014. The Company is required to comply with certain covenants pertaining to maintenance of certain financial ratios, percentage of share held by the major shareholder and other conditions as specified in the agreements.

**15. Trade accounts payable**

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Related parties	4	522,533	1,035,229	519,313	1,048,257
Other parties		704,625	626,165	574,844	424,563
<b>Total</b>		<b>1,227,158</b>	<b>1,661,394</b>	<b>1,094,157</b>	<b>1,472,820</b>

The currency denomination of trade accounts payable as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Thai Baht (THB)	1,187,721	1,641,733	1,054,720	1,461,951
United States Dollars (USD)	19,457	10,939	19,457	10,939
Japanese Yen (JPY)	19,497	-	19,497	-
Singapore Dollars (SGD)	376	-	376	-
Chinese Yuan Renminbi (CNY)	107	-	107	-
Euro (EUR)	-	8,722	-	-
<b>Total</b>	<b>1,227,158</b>	<b>1,661,394</b>	<b>1,094,157</b>	<b>1,472,890</b>

**16. Other payables**

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
<b>Related parties</b>	4	46,302	74,412	5,384	5,512
<b>Other parties</b>					
Other payables		85,675	166,012	68,112	141,583
Accrued operating expenses		43,549	21,807	43,549	12,570
Payables for fixed assets purchased		13,980	34,276	9,109	22,528
		143,204	222,095	120,770	176,681
<b>Total</b>		<b>189,506</b>	<b>296,507</b>	<b>126,154</b>	<b>182,193</b>

The currency denominations of other payables as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	141,919	238,936	102,233	162,678
United States Dollars (USD)	21,161	13,979	11,710	13,979
Euro (EUR)	14,846	10,241	4,791	425
Chinese Yuan (CNY)	11,580	32,951	7,420	4,711
Pound Sterling (GBP)	-	400	-	400
<b>Total</b>	<b>189,506</b>	<b>296,507</b>	<b>126,154</b>	<b>182,193</b>

## 17. Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Provision for trade discounts	107,326	92,816	107,326	92,816
Accrued bonus	57,376	46,597	56,347	45,682
Others	23,204	27,399	10,943	17,979
<b>Total</b>	<b>187,906</b>	<b>166,812</b>	<b>174,616</b>	<b>156,477</b>

## 18. Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Statement of financial position</b>				
<b>obligations for:</b>				
Post-employment benefits	90,632	80,458	90,632	80,458
Other long-term employment benefits	5,519	5,007	5,519	5,007
<b>Total</b>	<b>96,151</b>	<b>85,465</b>	<b>96,151</b>	<b>85,465</b>

<b>Statement of comprehensive income:</b>				
<b>Recognised in profit or loss:</b>				
Post-employment benefits	9,149	8,443	9,149	8,443
Other long-term employment benefits	1,094	905	1,094	905
<b>Total</b>	<b>10,243</b>	<b>9,348</b>	<b>10,243</b>	<b>9,348</b>

<b>Recognised in other comprehensive income</b>				
Actuarial losses recognised in the year	8,948	6,522	8,948	6,522
Cumulative actuarial losses recognised	16,440	7,492	16,440	7,492

### *Post-employment benefits*

The Group and the Company operates defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.



The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	112,591	92,957	112,591	92,957
Unrecognised actuarial losses	(16,440)	(7,492)	(16,440)	(7,492)
<b>Statement of financial position obligation</b>	<b>96,151</b>	<b>85,465</b>	<b>96,151</b>	<b>85,465</b>

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Defined benefit obligations				
at 1 January	85,465	70,096	85,465	70,096
Benefits paid by the plan	(8,505)	(501)	(8,505)	(501)
Current service costs and interest	10,243	9,348	10,243	9,348
Actuarial losses in other comprehensive income	8,948	6,522	8,948	6,522
<b>Defined benefit obligations</b>				
<b>at 31 December</b>	<b>96,151</b>	<b>85,465</b>	<b>96,151</b>	<b>85,465</b>

Expenses recognised in profit or loss:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current service costs	6,788	6,101	6,788	6,101
Interest on obligation	3,455	3,247	3,455	3,247
<b>Total</b>	<b>10,243</b>	<b>9,348</b>	<b>10,243</b>	<b>9,348</b>

The expense is recognised in the following line items in the statement of comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cost of sales	6,103	3,786	6,103	3,786
Selling expenses	-	1,771	-	1,771
Administrative expenses	4,140	3,791	4,140	3,791
<b>Total</b>	<b>10,243</b>	<b>9,348</b>	<b>10,243</b>	<b>9,348</b>

Actuarial losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Included in retained earnings:				
At 1 January	7,492	970	7,492	970
Recognised during the year	8,948	6,522	8,948	6,522
<b>At 31 December</b>	<b>16,440</b>	<b>7,492</b>	<b>16,440</b>	<b>7,492</b>

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(%)	(%)	(%)	(%)
Discount rate	4.3	4.3	4.3	4.3
Future salary increases	6.0	6.0	6.0	6.0
Turnover rates	1.9 - 22.9	1.9 - 22.9	1.9 - 22.9	1.9 - 22.9

Assumptions regarding future mortality are based on published statistics and mortality tables. Discount rate is the interest rate of long-term government bond.

## 19. Share capital

	Par value	2014		2013	
	per share (in Baht)	Number	Amount (thousand shares / thousand Baht)	Number	Amount
<b>Authorised</b>					
At 1 January					
- ordinary shares	6	<u>1,185,193</u>	<u>7,111,161</u>	<u>1,185,193</u>	<u>7,111,161</u>
<b>At 31 December</b>					
- ordinary shares	6	<u><u>1,185,193</u></u>	<u><u>7,111,161</u></u>	<u><u>1,185,193</u></u>	<u><u>7,111,161</u></u>
<b>Issued and paid</b>					
At 1 January					
- ordinary shares	6	<u>1,185,193</u>	<u>7,111,161</u>	<u>1,185,193</u>	<u>7,111,161</u>
<b>At 31 December</b>					
- ordinary shares	6	<u><u>1,185,193</u></u>	<u><u>7,111,161</u></u>	<u><u>1,185,193</u></u>	<u><u>7,111,161</u></u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

### Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

## 20. Reserve

Reserves comprise:

### Appropriations of profit and/or retained earnings

#### Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

### Other components of equity

#### Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

#### Cash flow hedges

The cash flow hedges account within equity comprises the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

#### Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

## 21. Segment information

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

• Segment 1	Vinyl segment
• Segment 2	Biochemical segment

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.



### Information about reportable segments

	Vinyl segment		Biochemical segment		Total reportable segments	
	2014	2013	2014	2013	2014	2013
	<i>(in thousand Baht)</i>					
External revenue	14,287,388	14,189,453	3,454,651	3,142,844	17,742,039	17,332,297
Inter-segment revenue	642,294	658,248	86,915	90,328	729,209	748,576
<b>Total segment revenue</b>	<b>14,929,682</b>	<b>14,847,701</b>	<b>3,541,566</b>	<b>3,233,172</b>	<b>18,471,248</b>	<b>18,080,873</b>
Other revenue					105,053	164,356
Elimination of inter-segment revenue					(729,209)	(748,576)
<b>Consolidated revenue</b>					<b>17,847,092</b>	<b>17,496,653</b>
Interest expense	15,511	9,649	141,696	153,718	157,207	163,367
Depreciation and amortisation	1,107,495	1,077,031	325,869	321,162	1,433,364	1,398,193
Capital expenditure	355,940	325,092	415,408	688,226	771,348	1,013,318
Segment profit (loss) before income tax	365,605	743,427	(1,596,654)	(607,387)	(1,231,049)	136,040
Elimination of inter-segment losses					(3,037)	(3,498)
<b>Consolidated profit (loss) before income tax</b>					<b>(1,234,086)</b>	<b>132,542</b>
<b>Other material non-cash item:</b>						
Impairment loss on plant and equipment and intangible assets	-	-	1,365,149	-	1,365,149	-
<b>Segment assets</b>	<b>14,648,417</b>	<b>15,226,461</b>	<b>5,124,304</b>	<b>6,556,953</b>	<b>19,772,721</b>	<b>21,783,414</b>

### Geographical information

	Revenues	
	2014	2013
	<i>(in thousand Baht)</i>	
<b>Thailand</b>		
External revenue	11,940,883	11,428,811
Other revenue	105,054	164,356
	12,045,937	11,593,167
India	1,136,018	653,040
South Korea	1,026,069	1,028,493
Others	3,639,068	4,221,953
<b>Total</b>	<b>17,847,092</b>	<b>17,496,653</b>

### Major customer

Revenues from certain customers of the Group's segments represents approximately Baht 4,671 million (2013: Baht 4,532 million) of the Group's total revenues.

## 22. Employee benefit expense

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Wages and salaries	536,014	498,875	508,599	485,269
Director remuneration	10,792	18,249	10,792	18,249
Contribution to defined contribution plans	4,312	3,540	4,269	3,518
Others	72,587	93,477	63,457	64,154
<b>Total</b>	<b>623,705</b>	<b>614,141</b>	<b>587,117</b>	<b>571,190</b>

### Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 8% of their basic salaries and by the Group at rates ranging from 5% to 8% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

## 23. Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress	(251,625)	(362,936)	241,252	243,797
Raw materials and consumables used	10,755,784	10,580,050	8,535,824	8,253,347
Electricity and fuel expense	3,953,910	3,913,446	3,588,777	3,521,433
Impairment loss on plant and equipment and intangible assets	1,365,149	-	-	-
Depreciation and amortisation	1,433,364	1,398,193	1,107,495	1,077,031
Employee benefit expenses	623,705	614,141	587,117	571,190
Transportation expenses	385,311	412,822	258,442	284,370
Impairment loss on investment in subsidiary	-	-	1,416,400	-
Doubtful debts expense	-	-	101,400	-
Rental expenses	33,725	40,067	27,656	30,608
(Reversal of) write-down to net realisable value	29,275	(7,887)	34,724	(3,654)
Others	596,118	612,095	427,713	420,825
<b>Total cost of sales of goods, selling expenses and administrative expenses</b>	<b>18,924,716</b>	<b>17,199,991</b>	<b>16,326,800</b>	<b>14,398,947</b>

## 24. Income tax

Income tax recognised in profit or loss.

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
<b>Current tax expense</b>					
Current year		(1,736)	(5,582)	-	-
Adjustment for prior years		(194)	-	(194)	-
		<u>(1,930)</u>	<u>(5,582)</u>	<u>(194)</u>	<u>-</u>
<b>Deferred tax expense</b>					
Movements in temporary differences	13	272,292	71,212	272,292	90,974
<b>Total</b>		<b>270,362</b>	<b>65,630</b>	<b>272,098</b>	<b>90,974</b>

*Income tax recognised in other comprehensive income.*

	Consolidated financial statement					
	2014			2013		
	Tax			Tax		
	Before tax	(expense) benefit	Net of tax	Before tax	(expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Cash flow hedges	9,467	(1,535)	7,932	15,768	2,591	13,177
Defined benefit plan actuarial losses	(8,948)	1,790	(7,158)	(6,522)	1,304	(5,218)
<b>Total</b>	<b>519</b>	<b>255</b>	<b>774</b>	<b>9,246</b>	<b>3,895</b>	<b>7,959</b>

	Separate financial statement					
	2014			2013		
	Tax			Tax		
	Before tax	(expense) benefit	Net of tax	Before tax	(expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Cash flow hedges	7,672	(1,535)	6,137	(12,955)	2,591	(10,364)
Defined benefit plan actuarial losses	(8,948)	1,790	(7,158)	(6,522)	1,304	(5,218)
<b>Total</b>	<b>(1,276)</b>	<b>255</b>	<b>(1,021)</b>	<b>(19,477)</b>	<b>3,895</b>	<b>(15,582)</b>



### Reconciliation of effective tax rate

#### Consolidated financial statements

	2014		2013	
	Rate	(in thousand	Rate	(in thousand
	(%)	Baht)	(%)	Baht)
Profit (loss) before income tax expense		(1,234,086)		132,542
Income tax using the Thai corporation tax rate	20	(246,817)	20	26,508
Effect of different tax rates in foreign jurisdictions		(347)		(4,371)
Income not subject to tax from promotional privileges		(55,774)		(14,307)
Expenses not deductible for tax purposes		11,276		27,901
Expenses additionally deductible for tax purposes		(5,307)		(5,306)
Utilisation of previously unrecognised tax losses		-		(20,181)
Current year losses for which no deferred tax asset was recognised		341,544		-
Recognition of tax loss during the year		(315,131)		(96,000)
Reversal of temporary deferred tax		-		20,126
Over provided in prior year		194		-
<b>Total</b>	<b>(22)</b>	<b>(270,362)</b>	<b>(50)</b>	<b>(65,630)</b>

#### Separate financial statements

	2014		2013	
	Rate	(in thousand	Rate	(in thousand
	(%)	Baht)	(%)	Baht)
Profit (loss) before income tax expense		(1,152,939)		742,004
Income tax using the Thai corporation tax rate	20	(230,588)	20	148,401
Income not subject to tax from promotional privileges		(86,233)		(118,263)
Expenses not deductible for tax purposes		11,276		248
Expenses additionally deductible for tax purposes		(5,307)		(5,306)
Utilisation of previously unrecognised tax losses		-		(20,054)
Current year losses for which no deferred tax asset was recognised		303,560		-
Recognition of tax loss during the year		(265,000)		(96,000)
Over provided in prior year		194		-
<b>Total</b>	<b>(24)</b>	<b>(272,098)</b>	<b>(12)</b>	<b>(90,974)</b>

### Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by FAP in 2012.

## 25. Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Group has been granted privileges by the Board of Investment relating to various operations which included:

	The Company				A subsidiary in Thailand	
	1579/2541	1166(2)/2548	1164(2)/2550	9010(2)/2553	2012(2)/2553	1694(2)/2551
1. Promotional certificate No.	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 Epichlorohydrin
2. Operations for which the privileges have been granted						
3. The privileges granted include:						
3.1 exemption from payment of income tax from the date on which the income is first derived from such operations	8 years	8 years	8 years	8 years	8 years	8 years
3.2 A 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of 5 years, commencing from the expiry date in 3.1	Granted	Granted	Granted	Not granted	Granted	Granted
3.3 Permission to double deduct the amount expended on transportation, electricity and water for a period of 10 years from the date on which the income is first derived from such operations.	Granted	Granted	Granted	Not granted	Granted	Granted
4. Date on which the income is first derived from operations	1 June 2002	1 January 2007	1 August 2008	1 January 2011	1 July 2012	7 February 2012

As a promoted company, the Group must comply with certain terms and conditions prescribed in the promotional certificate.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2014		2013			
	Promoted business	Non-promoted business	Promoted business	Non-promoted Business	Total	Total
	<i>(in thousand Baht)</i>					
Export sales	4,306,745	1,494,410	5,801,155	4,282,058	1,621,428	5,903,486
Local sales	7,026,740	4,914,144	11,940,884	6,667,322	4,761,489	11,428,811
<b>Total revenues</b>	<b>11,333,485</b>	<b>6,408,554</b>	<b>17,742,039</b>	<b>10,949,380</b>	<b>6,382,917</b>	<b>17,332,297</b>
	Separate financial statements					
	2014		2013			
	Promoted business	Non-promoted business	Promoted business	Non-promoted Business	Total	Total
	<i>(in thousand Baht)</i>					
Export sales	1,852,788	1,494,410	3,347,198	1,998,068	1,621,428	3,619,496
Local sales	6,411,301	5,171,183	11,582,484	6,198,300	5,029,905	11,228,205
<b>Total revenues</b>	<b>8,264,089</b>	<b>6,665,593</b>	<b>14,929,682</b>	<b>8,196,368</b>	<b>6,651,333</b>	<b>14,847,701</b>

## 26. Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for years ended 31 December 2014 and 2013 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(963,724)</u>	<u>198,172</u>	<u>(880,840)</u>	<u>832,978</u>
Number of ordinary shares outstanding	<u>1,185,193</u>	<u>1,185,193</u>	<u>1,185,193</u>	<u>1,185,193</u>
Basic earnings (loss) per share (in Baht)	<u>(0.81)</u>	<u>0.17</u>	<u>(0.74)</u>	<u>0.70</u>



27. Dividends

At the annual general meeting of the shareholders of the Company held on 29 April 2014, the shareholders approved the appropriation of dividends of Baht 0.064 per share, amounting to Baht 75.8 million. The dividend was paid to shareholders in May 2014.

At the annual general meeting of the shareholders of the Company held on 30 April 2013, the shareholders approved the appropriation of dividends of Baht 0.86 per share, amounting to Baht 1,014.5 million. The dividend was paid to shareholders in May 2013.

28. Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group’s risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors’ policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholder’s equity, excluding non-controlling interests and also monitors the level of dividends or ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group’s operations and its cash flows. Most of the Company’s financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The effective interest rates of loan receivables as at 31 December and the periods in which loan receivables mature or re-price were as follows:

Separate financial statements					
	Effective	Within	After	After	
	Interest	1 year	1 year	5 years	Total
	Rates		but within		
	(% per annum)		5 years	5 years	
			(in thousand Baht)		
2014					
Short-term loans	2.22 – 2.42	1,600,000	-	-	1,600,000
Long-term loans	4.7 and THBFIX+ Fixed rate	-	3,107,949	-	3,107,949
		1,600,000	3,107,949	-	4,707,949
2013					
Short-term loans	2.40 – 2.72	1,250,000	-	-	1,250,000
Long-term loans	4.7 and THBFIX+ Fixed rate	333,333	2,150,880	642,840	3,127,053
		1,583,333	2,150,880	642,840	4,377,053

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

Consolidated/Separate financial statements					
	Effective	After		After	
	Interest	Within	but within		
	Rates	1 year	5 years	5 years	Total
	(% per annum)		(in thousand Baht)		
<b>2014</b>					
Long-term loans	4.7 and THBFIX+ Fixed rate	-	2,788,548	211,842	3,000,390
<b>2013</b>					
Long-term loans	4.7 and THBFIX+ Fixed rate	333,333	2,400,157	694,763	3,428,253

#### Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
<b>United States Dollars</b>					
Cash and deposits at the financial institutions	5	86,387	7,681	35,044	285
Trade accounts receivable	6	495,069	557,477	265,612	367,858
Other receivable	7	10,151	8,715	11,333	2,369
Trade accounts payable	15	(19,457)	(10,939)	(19,457)	(10,939)
Other payable	16	(21,161)	(13,979)	(11,710)	(13,979)
<b>Gross in statement of financial position exposure</b>		<b>550,989</b>	<b>548,955</b>	<b>280,822</b>	<b>345,594</b>
Estimated of forecast sales		324,992	402,973	301,273	334,221
Estimated of forecast purchases		(107,871)	(65,515)	(5,046)	-
<b>Gross exposure</b>		<b>768,110</b>	<b>886,413</b>	<b>577,049</b>	<b>679,805</b>
<b>Currency forwards</b>		<b>(710,653)</b>	<b>(517,007)</b>	<b>(446,471)</b>	<b>(494,175)</b>
<b>Net exposure</b>		<b>57,457</b>	<b>369,406</b>	<b>130,578</b>	<b>185,630</b>

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
<b>Euro</b>					
Cash and deposits	5	35,124	311,538	-	-
Trade accounts receivable	6	2,894	-	-	-
Trade accounts payable	15	-	(8,722)	-	-
Other payable	16	(14,846)	(10,241)	(4,791)	425
<b>Gross in statement of financial position exposure</b>		<b>23,172</b>	<b>292,575</b>	<b>(4,791)</b>	<b>(425)</b>
Estimated of forecast purchases		-	(1,603)	-	(779)
<b>Gross exposure</b>		<b>23,172</b>	<b>290,972</b>	<b>(4,791)</b>	<b>(1,204)</b>



		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Currency forwards		(2,628)	-	(2,628)	-
<b>Net exposure</b>		<b>20,544</b>	<b>290,972</b>	<b>(7,419)</b>	<b>(1,204)</b>
<b>China Yuan</b>					
Cash and deposits	5	448,596	-	374,828	311,538
Other receivable	7	1,497	-	5,955	14,917
Long term loan		584,182	267,456	584,182	267,456
Trade accounts payable	15	(107)	-	(107)	-
Other payable	16	(11,580)	(32,951)	(7,420)	(4,711)
Long term loan	14	(953,290)	(571,153)	(953,290)	(571,153)
<b>Gross in statement of financial position exposure</b>		<b>69,298</b>	<b>(336,648)</b>	<b>4,148</b>	<b>18,047</b>
Currency forwards		-	-	-	-
<b>Net exposure</b>		<b>69,298</b>	<b>(336,648)</b>	<b>4,148</b>	<b>18,047</b>
<b>Japanese Yen</b>					
Trade accounts receivable	6	14,635	14,737	-	-
Other receivable	7	11,347	8,154	1,588	8,690
Trade accounts payable	15	(19,497)	-	(19,497)	-
<b>Gross in statement of financial position exposure</b>		<b>6,485</b>	<b>22,891</b>	<b>(17,909)</b>	<b>8,690</b>
Estimated of forecast sales		6,852	14,805	-	-
Estimated of forecast purchases		-	-	-	-
<b>Gross exposure</b>		<b>13,337</b>	<b>37,696</b>	<b>17,909</b>	<b>8,690</b>
Currency forwards		(15,467)	(24,248)	247	-
<b>Net exposure</b>		<b>(2,130)</b>	<b>13,448</b>	<b>17,662</b>	<b>8,690</b>
<b>Other currency</b>					
Trade accounts payable	15	(376)	-	(376)	-

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Other payable	16	-	(400)	-	(400)
<b>Gross in statement of financial position exposure</b>		<b>(376)</b>	<b>(400)</b>	<b>(376)</b>	<b>(400)</b>
Estimated of forecast purchases		(373)	-	(373)	-
<b>Gross exposure</b>		<b>(749)</b>	<b>(400)</b>	<b>(749)</b>	<b>(400)</b>
Currency forwards		374	-	374	-
<b>Net exposure</b>		<b>(375)</b>	<b>(400)</b>	<b>(375)</b>	<b>(400)</b>

#### *Credit risk*

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

#### *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

#### *Determinations of Fair values*

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade account receivables, other receivables, trade account payable and other payables is taken to approximate the carrying value.

The fair value of loan to related parties, bank overdraft, and loan from financial institutions is taken to approximate the carrying value

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

## 29. Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Capital commitments</b>				
Contracted but not provided for				
Building and building improvement	33,944	31,651	-	-
Machinery and equipment	520,142	937,966	11,104	33,239
<b>Total</b>	<b>554,086</b>	<b>969,617</b>	<b>11,104</b>	<b>33,239</b>
<b>Non-cancellable operating lease commitments</b>				
Within one year	139,962	158,383	68,245	67,809
After one year but within				
five years	460,391	478,934	176,300	187,536
After five years	567,773	703,534	71,333	107,058
<b>Total</b>	<b>1,168,126</b>	<b>1,340,851</b>	<b>315,878</b>	<b>362,403</b>
<b>Other commitments</b>				
Purchase orders for raw material				
and spare parts	300,696	500,201	82,404	129,970
Bank guarantees	19,251	19,458	17,678	17,885
<b>Total</b>	<b>319,947</b>	<b>519,659</b>	<b>100,082</b>	<b>147,855</b>

As at 31 December 2014, the Group had:

(a) operating lease agreements covering the land, inventory tank, vehicles and office equipment for periods ranging from 0.5 years to 30 years expiring on various dates up to March 2040. However, the Company can renew the land rental agreement for another 20 years given the written notice to the counterparty not less than 6 months before the expiration of the agreement.

(b) bank guarantees issued by banks on behalf of the Company and its subsidiaries for leasehold right for land use, payment for pipeline placement and electricity.

(c) commitments to purchase raw materials and spare parts from associate, related parties and external suppliers at agreed prices.

(d) capital commitments of contracted but not provided for intangible asset amounted to Baht 60.9 million

(e) forward contract with local financial institution and branch of certain foreign financial institutions for protect import purchase transaction and export sale transaction which forecast that will be occurred following :

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
	Currency	2014	2013	2014	2013
		<i>(unit : thousand)</i>			
Estimated sales export	United States Dollars	25,332	21,653	13,768	15,326
	EURO	73	-	73	-
	Japanese Yens	54,039	76,024	-	-
Estimated import purchase	United States Dollars	3,693	5,632	171	1
	EURO	9	-	9	-
	Japanese Yens	880	-	880	-
	Others	15	-	15	-

In addition, as at 31 December 2014, the Company issued the letter of support to provide financial support to its subsidiary.

## 30. Events after the reporting period

At the Board of Directors' Meeting hold on 12 February 2015, the directors resolved to propose the dividend payment in at value Baht 0.1 per share. The dividend payment shall be approved by its shareholders at the annual general meeting of the shareholders.



31. Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 13	Fair Value Measurement	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

32. Reclassification of accounts

Certain accounts in the 2013 financial statements have been reclassified to conform to the presentation in the 2014 financial statements as follows:

	2013					
	Consolidated financial statements			Separate financial statements		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After reclassification
	(in thousand Baht)					
<i>Statement of financial position</i>						
Cash and cash equivalents	1,512,682	(10,021)	1,502,661	1,162,377	(10,021)	1,152,356
Trade and other receivables	2,659,646	(2,659,646)	-	2,482,134	(2,482,134)	-
Trade accounts receivable	-	2,639,661	2,639,661	-	2,432,843	2,432,843
Other receivables	-	19,985	19,985	-	50,973	50,973
Other current assets	270,506	10,021	280,527	114,202	8,339	122,541
Trade and other payables	(1,942,585)	1,942,585	-	(1,639,768)	1,639,768	-
Trade accounts payable	-	(1,661,394)	(1,661,394)	-	(1,472,891)	(1,472,891)
Other payables	-	(296,507)	(296,507)	-	(182,193)	(182,193)
Other current liabilities	(182,128)	15,316	(166,812)	(171,793)	15,316	(156,477)
		-			-	
<i>Statement of comprehensive income</i>						
Foreign exchange gain	(56,277)	16,123	(40,154)	-	-	-
Administrative expenses	410,656	1,782	412,438	-	-	-
Loss on disposal of equipment	17,905	(17,905)	-	-	-	-
		-			-	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

# General Information and other information

## General Information

### (1) Information of listed company

Name of the listed company	:	<b>Vinythai Public Company Limited</b>
Address of Head Office and Plant	:	No. 2, I-3 Road, Map Ta Phut Industrial Estate, Tambol Map Ta Phut, Amphoe Muang, Rayong Province 21150 Telephone No. : 0-3868-3112, 0-3892-5000 Fax No. : 0-3868-3048
Address of Business Office	:	14th 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, Tambol Map Ta Phut, Amphoe Muang, Rayong Province 21150 Telephone No. : 0-3868-3112, 0-3892-5000 Fax No. : 0-3868-3048
Address of Business Office	:	14th 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	:	1st Floor Room A, Srifuengfung Building, 1016 Rama 4 Road, Silom Sub-district, Bangrak district, Bangkok 10500 Telephone no. 02-633-9380-3 Fax No. 02-633-9390
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.or.th](mailto:TSDCallCenter@set.or.th)

Auditor : Mr. Waiyawat Kosamarnchaiyakit and/or  
Mr. Vairoj Jindamaneepitak and/or  
Mr. Sakda Kaothanthong  
KPMG Phoomchai Audit Limited  
48th Floor, Empire Tower  
195 South Sathorn Road  
Bangkok 10120  
Tel. : 0-2677-2000  
Fax : 0-2677-2222

Legal Counsel Limited : Chandler and Thong-Ek Law Offices  
7th Floor, Bubhajit Building  
20 North Sathorn Road  
Bangkok 10500  
Tel. : 0-2266-6485  
Fax : 0-2266-6483-4

**6.2 Other important information** - None -

# Shareholders and Dividend Policy

## Securities Information

### Number of Common Shares and Paid-up Capital

Registered capital and Paid-up capital as of 31 December 2014 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	25 November 2014	
		Number of shares (shares)	%
1.	SOLVAY VINYL HOLDING AG	696,511,059	58.768
2.	PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED*	296,038,689	24.978
3.	CHAROEN POKPHAND HOLDING CO., LTD.	21,200,000	1.789
4.	THAI NVDR COMPANY LIMITED	14,204,432	1.198
5.	MR. CHAVENG APATA	13,820,000	1.166
6.	MR. ANUCHA KITTHANAMONGKONCHAI	11,300,002	0.953
7.	EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE FD	6,688,917	0.564
8.	MRS. CHONGPHIS KITTHANAMONGKONCHAI	4,030,000	0.340
9.	MR. VITTAYA CHUSAK	3,979,300	0.336
10.	MR. YANYONG PHATRALAOHA	2,827,635	0.237

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

- Solvay Group held a total of 696,511,059 shares, or 58.768%, in the Company:
  - 1. SOLVAY VINYL HOLDING AG 58.768%
- PTT Chemical Public Company Limited holds a total of 296,038,689 shares, or 24.978%, in the Company.
  - 1. PTT Chemical Public Company Limited\* 24.978%

### 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 dividend payment policy for VNT's subsidiaries

The payment of dividends by the subsidiaries shall be considered and proposed by the Board of Directors of each subsidiary for approval at the Annual General Meeting of each subsidiary. The dividend payment of subsidiaries shall be calculated based on the investment plans and other requirements and considerations, such as the adequacy of cash flow of each subsidiary after deducting reserve funds in accordance with the law.

*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](http://www.sec.or.th) or [www.vinythai.co.th](http://www.vinythai.co.th)*

# 2014 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)	2014 (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 Spare part service	137,898 164,234 658,248 130,327 4,878	131,701 139,043 642,294 157,049 6,090
2. Solvay Biochemicals (Taixing) Co., Ltd.	Production of Epichlorohydrin (ECH)		Reimbursement expense Interest income	626 1,061	- 27,431
<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	450,449
<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 28,747 2,797 8,307 3,899	912 58 - 4,586 9,402 21,001 38,262 2,381 - 1,868
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 -	74,571 7,099 3,743 6
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	62,601 7,247,788 15,457
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	48,292
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 income Service Expense	- 17,736	5,921 6,588
6. MTP HP JV (Thailand) Co., Ltd.	Production and distribution of Hydrogen peroxide	Company owned by Solvay's subsidiaries.	Sale caustic soda	11,025	13,184
				8,784,708	9,117,777

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. 4 to the 2014 financial statements as examined and reported by the auditor under his audit report dated 12 February 2015.



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Annual Report 2014



Annual Report 2013



Annual Report 2012



Annual Report 2011



Annual Report 2010



Annual Report 2009



Annual Report 2008



Annual Report 2007



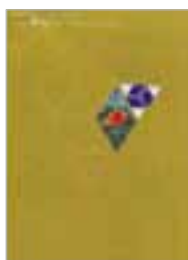
Annual Report 2006



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

**BKK Office:** 3656/41 14<sup>th</sup> floor Green Tower Rama IV Road, Klong Toey, Bangkok 10110

**Tel:** (66) 0-2229-9100 (30 lines) **Fax:** (66) 0-2240-1383, (66) 0-2240-1386, (66) 0-2240-1375

**Head Office (Plant):** No. 2, I-3 Road, Map Ta Phut Industrial Estate, Tambon Map Ta Phut, Amphoe Mueang, Rayong 21150 **Tel:** (66) 0-3892-5000 **Fax:** (66) 0-3868-3048

**Website:** [www.vinythai.co.th](http://www.vinythai.co.th), [www.vinythaicoral.org](http://www.vinythaicoral.org)







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