

PERFORMANCE YOU CAN
TRUST



ANNUAL REPORT 2012
PTT Global Chemical Public Company Limited

BALANCE

BUILDING GLOBAL LEADERSHIP POSITION, SHAPING THE SOCIAL SUSTAINABILITY

While we are building global leadership position, we are also Shaping the Social Sustainability. It's our commitment to balance all key aspects in a sustainable manner, growing our business, contributing to global economic expansion, respecting the environment, building stronger communities and creating enduring value for our shareholders.



PTTGC is devoted to provide trustworthy and quality of life with social responsibility through social and environmental care to all stakeholders. We persistently grow and cultivate proficient workforce with commitment to professional excellence while excelling in R&D in order to apply state-of-the-art technologies.

In addition, PTTGC not only aims to achieve as PTT flagship in chemical business, we also believes that business sustainability cannot success upon profitability alone, but by operating responsibility can sustain our growth path.

WORLD SUSTAINABILITY INDEX

Company : Green Investment

Operation : Operational Excellence

Create Chemistry Innovation for a Healthy and Sustainable Future

- Bio - Products
- Bio - Projects

INTERNATIONAL ENVIRONMENTAL GUIDELINES

Eco - Industrial Town

Low Carbon Society

Environmental and Safety Excellence

- Air : Quality beyond Compliance
- Water : Water Management - Reduce Reuse Recycle
- Waste : Zero Waste to Landfill - Waste Life Cycle Management
- Product Stewardship : Carbon Footprint - Carbon Labeling
- Energy : Energy Efficiency Program - Eco-Efficiency
- Biodiversity

THE HIGHEST STANDARD OF PUBLIC SUSTAINABILITY DISCLOSURE

Employee : Productivity and Well-being

Community : Economic Development

Community Economic Development Initiatives

- Create Local Jobs
- Support a Strong Community
- Strengthen The Community's Fiscal Sustainability



OUR PRIDE

OUR GLOBAL ACHIEVEMENT

 NatureWorks LLC

**BLAIR, NEBRASKA
USA**

PLA

Product & Process
Development and Analytical Labs
in Minnesota, USA



 **Vencorex**
chemicals

**FREEPORT, TEXAS
USA**

HDI Derivatives



 **Myriant**
Chemistry Redefined. Naturally.

**LAKE PROVIDENCE, LOUISIANA
USA**

Succinic Acid

Research Laboratory
in Massachusetts, USA





TORONTO CANADA

Fatty Acid,
Glycerine



CINCINNATI, OHIO USA

Fatty Acid,
Glycerine, Ozon Acids



PONT-DE-CLAIX FRANCE

TDI, HDI & HDI Derivatives,
IPDI, Chlor-Alkali





LOXSTEDT GERMANY

Plastic Additives



DUSSELDORF GERMANY

Fatty Acid,
Glycerine, Triacetine



SELANGOR MALAYSIA

Fatty Acid, Glycerine,
Methyl Ester, Fatty Alcohols





BEING

WORLD-CLASS

COMPANY

Top quartile benchmarking on operational excellence is the foundation of our success, it's our goal to be recognized and admired as world-class in the areas of reliability, efficiency, process & personal safety, product stewardship, environmental stewardship, community and stakeholder engagement by peer business group in which we operate.

ACHIEVING WORLD-CLASS RECOGNITION



INTERNATIONAL



NATIONAL



BEST IN CLASS



**DOW JONES
SUSTAINABILITY INDEXES**

SAM invited PTGTC to participate in Dow Jones Sustainability Indexes (DJSI) assessment. The assessment's results were publicly announced in September 13, 2012. PTGTC received a score at 66 or ranked at 2nd quartile performance.



**UNITED NATIONS GLOBAL
COMPACT ADVANCED LEVEL**

PTGTC is the first and only company in Thailand to join United Nations Global Compact Advanced Level, the highest level of UNGC and comply with 24 criteria of UNGC Advanced Level.



**ICIS TOP 100 CHEMICAL
COMPANIES 2012**

With an outstanding operational excellence and acceptance from businesses and stakeholders globally, the Company is ranked at 24th from 100 world leading petrochemical companies in ICIS Top 100 Chemical Companies.



**FORBES 2012
GLOBAL 2000**

PTGTC is ranked at 665th in Forbes 2012 Global 2000 (world's biggest companies). Four aspects have been taken into consideration for the evaluation: Sales, Profits, Assets and Market Value.



**PLATTS 2012
GLOBAL ENERGY AWARDS**

PTGTC's initiative; Biodiversity project was granted with Global Energy Award Winner in Stewardship: Corporate Social Responsibility category. Also received an Awards of Excellence in Stewardship category.



**GLOBAL REPORTING
INITIATIVES (GRI A+)**

PTGTC Sustainability Report 2011 received GRI certification at level A+, which is the highest certification level.



**ASIA PACIFIC ENTERPRISE
LEADERSHIP AWARDS**

The Career Development Project: Luffala won the Asia Pacific Enterprise Leadership Awards (APELA) under Sustainable Development category.



**THE BEST
PAPER AWARDS**

PTTPE, LDPE operating process "Hyper Compressor Intercooler Cleaning by Using Pipe Cleaning Machine" received the Best Paper Awards from the 7th LDPE Plant Improvement Conference, Germany. This technique is highly cost effective.



**AMCHAM CSR EXCELLENCE
RECOGNITION 2012**

PTGTC received AMCHAM CSR Excellence Recognition 2012 Silver Class for 3 consecutive years.



**PRIME MINISTER'S
INDUSTRY AWARD 2012**

PTGTC 3 won the Prime Minister's Industry Awards 2012. The award was given to companies with safety initiatives that bring benefit to community and country as a whole.



**THAILAND'S TOP CORPORATE
BRAND VALUES 2012**

PTGTC received Thailand's Top Corporate Brand Values 2012 with brand value at 44,432 MB. The brand values were assessed by Corporate Brand Success Valuation (CBS Valuation).

BEYOND COMPLIANCE



BUSINESS LEADER'S AWARD FIGHT HUMAN TRAFFICKING

PTTGC's fight against human trafficking initiatives was being nominated in UNGC: Business Leader's Award Fight Human Trafficking.



CARBON FOOTPRINT

PTTGC is the first polyethylene producer in Thailand that 47 High Density Polyethylene product grades are certified and received the Carbon Footprint labeling from Thailand Greenhouse Gas Organization.



3Rs AWARDS

From an excellent waste management, PTTGC Plants were granted with 3Rs awards (Reduce, Reuse, and Recycle) and was nominated as a pilot project for Department of Industrial Works.



ZERO WASTE TO LANDFILL ACHIEVEMENT AWARD

PTTGC's (Branch 2, 3 and 4) excellence waste management were awarded with Zero Waste to Landfill Achievement Award. Conferred by Department of Industrial Works.



GREEN INDUSTRY

All PTTGC Group's environmental management and continual improvement was certified with Green Industry at level 3, Green System, from Ministry of Industry.

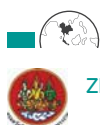


SAA AWARDS FOR LISTED COMPANIES 2012

PTTGC won Best CEO, CFO and IR Awards from SAA Awards for Listed Companies 2012. The executives who received the awards have been recognized with outstanding managements' performance and contribution to the growth of economy, market capital and country as a whole.



LICENSE TO OPERATE



ZERO ACCIDENT 2012

Thai Styrenics Company Limited or TSCL received an award of honor for Zero Accident 2012 at silver level. Since 1998 - 2011, TSCL has no record of lost workday for total of 1,877,260.25 working hours.



EXCELLENCE IN LABOR CONDITIONS AND SAFETY, OCCUPATIONAL HEALTH AND WORK ENVIRONMENT AWARD

For the 14 consecutive years, PTTGC received an awards In Safety, Occupational Health and Work Environment Award (National) 2012 conferred by the Ministry of Labor.



THE CERTIFICATE OF THAI LABOR STANDARD (TLS 8001-2010)

PTTGC received the certificate of Thai Labor Standard (TLS 8001-2010) at a Completion Level, organized by the Department of Labor Protection and Welfare.



EIA MONITORING AWARDS 2012

PTTGC was awarded with EIA Monitoring Awards 2012 from our excellence environmental management together with following EIA measures



GREEN STAR FLAG AWARD

PTTGC (Branch 2, 4, 5 and 6) received the Green Star Flag award as a symbol of corporate governance for environment year 2011 from Industrial Estate Authority of Thailand



INNOVATE FOR BETTER LIVING





PTT Global Chemical Public Company Limited

The challenges ahead to meet the demands of society for better living, which are a commitment we strive for. Our determination is to continuously develop innovative chemical products that meet those demands through our goal of Innovate for Better Living.

Our commitment is to provide sustainable business growth with a genuine responsibility towards society and preserving the environment for generations to come.

INNOVATE
FOR **BETTER**  **LIVING**



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VISION

TO BE A **LEADING** CHEMICAL
COMPANY FOR BETTER LIVING

MISSION

- ⌚ We deliver the best business performance through trustworthiness to create fair and sustainable value for shareholders.
- ⌚ We engage and integrate social and environment to our business with responsibility and care for sustainable development.
- ⌚ We provide superior solutions from innovative products and services to be the best choice for business partners.
- ⌚ We create a learning organization and a happy workplace to cultivate proficient workforces with profound engagement and commitment to professional excellence.

FINANCIAL HIGHLIGHTS

| | As of 31 Dec. 2011 ^{/1} | As of 31 Dec. 2012 |
|---|-------------------------------------|-----------------------|
| Financial Status – Consolidated | | |
| | (Unit: Million Baht) | |
| Total Assets | 372,967 | 436,062 |
| Cash and cash equivalents + Short-term Investment | 22,606 | 60,062 |
| Current Assets | 82,631 | 100,830 |
| Property, plant and equipment | 235,343 | 240,497 |
| Non-current assets | 32,387 | 34,673 |
| Total Liabilities | 164,512 | 198,017 |
| Loans | 120,165 | 136,857 |
| Other liabilities | 44,347 | 61,161 |
| Total Equity | 208,454 | 238,045 |
| Financial Performance – Consolidated | | |
| Revenue from Sale | 500,305 | 562,811 |
| EBITDA ^{/2} | 54,423 | 55,879 |
| Net Profit | 30,033 | 34,001 |
| Adjusted EBITDA ^{/3} | 48,920 | 55,045 |
| EPS (Baht/Share) | 6.66 | 7.54 |
| Key Financial Ratios | | |
| Current Ratio (times) | 1.75 | 2.31 |
| EBITDA to Total Revenues (%) | 10.79 | 9.85 |
| Net Profit on Total Revenues (%) | 5.95 | 5.99 |
| Return on Total Assets (%) | 8.05 | 7.80 |
| Return on Equity (%) | 14.41 | 14.28 |
| Interest Bearing Debt to Equity (times) | 0.58 | 0.58 |
| Net interest bearing debt to Equity (times) | 0.47 | 0.32 |
| Net interest bearing debt to EBITDA (times) | 1.79 | 1.38 |

Notes : /1 The information is an unaudited pro-forma consolidated financial statements for the year 2011, prepared by the Company for the purpose of performance analysis. PTT Global Chemical Public Company Limited was formed by the amalgamation between PTT Chemical Public Company Limited and PTT Aromatics and Refining Public Company Limited and registered as a new entity on October 19, 2011. As a result, the audited financial statements for the year 2011 represent the performance only for the period of October 19, 2011 to December 31, 2011.

/2 EBITDA is Earnings Before Interest, Taxes, Depreciation and Amortization.

/3 Adjusted EBITDA refers to EBITDA excluding impact of inventory value (excludes Inventory and NRV) and excluding impact of commodity hedging.

MESSAGE FROM THE CHAIRMAN

DEAR SHAREHOLDERS,

The year 2012 was marked by global economic volatility. The debt crisis in Europe, the Fiscal Cliff in U.S.A., the economic slowdown in China, the political unrest in Northern Africa and the Middle East, and fluctuations in oil prices – all had effects on the price of raw materials and end products throughout the year. Additionally, individual countries saw their export growth in exports decrease. The Thai economy, however, was able to maintain growth through the support of domestic consumption and private sector investment, as well as increased capabilities of trade with foreign markets including Australia, Africa, India, and Hong Kong.

For PTTGC, 2012 marked the one-year anniversary of our amalgamation. Over the past year, PTTGC has laid the foundation for Fully Integrated Petrochemical and Refinery Operations. The strength of this foundation will help the organization in terms of efficiency, production, and profitability. Through it, PTTGC will enjoy a diverse product portfolio, a strong investment structure and an ability to compete on the world stage.

In addition, PTTGC has worked to reduce the effects of external factors from economic instability. This has been achieved through continuously implementing various projects, including adding value through the Operational Excellence Project and the Synergy Project. Improvements have been made to efficiency, and the cost of production has gone down. Risk Management in regards to raw material / end product price volatility and finance, as well as Inventory Management has become stronger. Financial activities within the Company were strengthened through the issuance and sale of bonds through foreign investment institutions in the amount of 1 billion USD. Interest from foreign investors in these issuances was strong. Company operations were conducted according to provisions of the Risk Management and plan to protect from unfavorable exchange rate conditions, allowing our financial management to reap the maximum benefit from these activities.

In regards to our investment activities, PTTGC has moved forward aggressively to be a regional leader as Thailand enters the ASEAN Economic Community (AEC), as well as taking important steps in expanding investment in other countries. This has included the accumulation of stock and investment in Perstorp of France, now officially known as Vencorex. PTTGC has also entered into a joint venture with Petronas and Itochu under the RAPID Project (Refinery & Petrochemical Integrated Development). This project aims to conduct feasibility studies into broadening downstream production groups to help support the greater needs of petrochemical products in the future. PTTGC has also signed a Memorandum of Understanding (MOU) to develop cooperation in the petrochemical business with Sinochem International of China. This marks another important step in increasing participation in the chemical business in China.



In preparation for the continued growth of the organization, PTTGC has drawn up strategies to build a stronger set of values and culture. Organizational structure has been continually adjusted when appropriate to increase the competitive capabilities and efficiency of the organization. Working processes and management systems have been standardized as well, to improve their effectiveness. The Integration Management Office (IMO) has worked to improve these processes to an international standard, with the end result of increasing the efficiency of our plants in a variety of ways. As such, we are confident that PTTGC's plants will be able to operate continuously, efficiently, and safely.

In regards to Good Corporate Governance, companies in Thailand have collectively been ranked 3rd in 2012 among those in the ASEAN community - up from 5th in 2011. This is a good indicator of the trend and direction of organizational attitudes in Thailand towards employing good corporate governance. As for PTTGC, importance has been placed on following the principles of good corporate governance since the Company's foundation. The Board of Directors, as well as, members of management and staff members that make up the PTTGC Group have strived to adhere to good working processes at all times. Additionally, an effort has been made to improve these corporate governance standards to an international level, the same high level expected in areas that PTTGC is currently investing in abroad. As such, it is necessary for PTTGC and its subsidiaries to place importance on following working processes that are ethical and follow all related laws and regulations in the countries in which it is operating. PTTGC has published a Compliance Policy to prevent any risks in operating businesses in violation of related laws or regulations for each area PTTGC has invested in. This has all been done in a way to ensure full compliance of PTTGC business operations.


In regards to social and stakeholder responsibility, PTTGC is focused on conducting its business operations to an international standard. This includes attitudes towards the economy, society, and the environment. It is hoped that equilibrium can be achieved between business operations and the environment in which they take place, as well as meeting stakeholder expectations. Business operations are conducted according to the United Nations Global Compact Advanced Level, as well as ISO 26000. Sustainability Reports have received the Global Report Initiative's highest rating of A+. These achievements have helped PTTGC be recognized in the Second Quartile Performance of Dow Jones Sustainability Indexes' Chemical Sector. In addition, PTTGC has received survey ratings of satisfaction from its customers, investors, and community members affected by its factory operations that meet target standards.



PTTGC has made strides to be more environmentally minded under an ethical framework. As a result, PTTGC has received recognition and praise from leading organizations in different countries, representing the success that Company operations have met in various areas of business, social responsibility, and environmental preservation.

Through careful strategic planning and management, and preparation being made in various areas, 2012 was a great year. PTTGC surpassed expectations in every area: finance, plant stability, stakeholder management, as well as organizational management. PTTGC enjoyed revenue from sales of 562,811 million THB. Company profits were of 34,001 million THB, with an Earnings Per Share of 7.54 THB.

On the behalf of the Board of Directors, Executives, and all Staff Members, I would like to express my deepest appreciation to each and every one of our shareholders and stakeholders. With your support, we were able to overcome all obstacles and exceed all expectations. We share together in every award and honor we receive, both from organizations within Thailand and abroad. We commit to you that PTTGC will continue to develop as an organization to improve our competitive capabilities and increase profitability through business expansion. Throughout this, we will place importance on monitoring markets that are experiencing continuous growth as well as high requirements for petrochemical and chemical products. We will continue to optimize our production processes, as well as explore for sources of inexpensive raw materials. We will do this while placing importance on preserving the environment and ensuring the highest levels of safety. We will continue to invest and expand our product portfolio, meeting the demands of ever-changing markets. All of this will be done while acting in a socially responsible manner. This is our testament, representing the commitment of PTTGC to become a global leader and continued growth into the future.



(Mr. Prasert Bunsumpun)

Chairman



COMPANY INFORMATION

Name PTT Global Chemical Public Company Limited

Initial PTTGC

Website www.pttgcgroup.com

Registered Number 0107554000267

Number and Value of Issued Shares

As at 31 December 2012, the registered share capital was Baht 45,129,301,690 Issued Shares made up of 4,512,930,269 common shares at a par value of Baht 10 per share.

The registered share capital is made up of:

1. Paid-up capital of Baht 45,088,491,170 consisting of 4,508,849,117 common shares at a par value of Baht 10 per share
2. Unpaid capital of Baht 40,811,520 consisting of 4,081,152 common shares at a par value of Baht 10 per share.

First Day Trade on the SET 19 October 2011

Establishment 21 October 2011

Business Structure and Value Chain

- Group Performance Center - Refinery & Shared Facilities
- Group Performance Center - Aromatics
- Group Performance Center - Olefins
- Polymer Business Unit
- EO - Based Performance Business Unit
- Green Chemical Business Unit
- High-Volume Specialist Business Unit
- Services & Others

Number of Employees 3,509

Contact

Investor Relation

Tel. 66(0) 2265-8533-34, 8574

Email: ir@pttgcgroup.com

Corporate Governance & Secretarial

Tel. 66(0) 2265-8632, 8456, 8635

Email: cg@pttgcgroup.com

Head Office Address

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Vibhavadi Rangsit Road, Chatuchak,
Bangkok 10900

Tel. 66(0) 2265-8400 Fax: 66(0) 2265-8500

Rayong Office Branch

59 Rachniyom Road, Tambon Noen-Phra,
Amphoe Mueang Rayong, Rayong 21150

Tel. 66(0) 3899-4000 Fax: 66(0) 3899-4111

Olefins I-1 Branch

14, I-1 Road, Tambon Map Ta Phut,
Amphoe Mueang Rayong, Rayong 21150

Tel. 66(0) 3899-4000 Fax: 66(0) 3899-4111

Olefins I-4 Branch

9, I-4 Road, Tambon Map Ta Phut,
Amphoe Mueang Rayong, Rayong 21150

Tel. 66(0) 3899-4000 Fax: 66(0) 3899-4111

Aromatics I Branch

4, I-2 Road, Map Ta Phut Industrial Estate,
Map Ta Phut, Muang District, Rayong 21150

Tel: +66(0) 3897-1000 Fax: 66(0) 3899-4111

Aromatics II Branch

98/9 Rayong Highway Road 3191,
RIL Industrial Estate, Map Ta Phut, Muang District,
Rayong 21150

Tel: 66(0) 3897-1000 Fax: 66(0) 3899-4111

Refinery Branch

8, I-8 Road, Map Ta Phut Industrial Estate,
Map Ta Phut, Muang District, Rayong 21150

Tel: 66(0) 3897-1000 Fax: 66(0) 3899-4111

Jetty and Buffer Tank Farm Branch:

19 Rong-Pui Road, Tambon Map Ta Phut,
Amphoe Mueang Rayong, Rayong 21150
Tel. 66(0) 3899-4000 Fax: 66(0) 3899-4111

Tank Farm Branch

11, I-4 Road, Map Ta Phut Industrial Estate,
Map Ta Phut, Muang District, Rayong 21150
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LAB Service Center Branch

24/9 Pakorn Songkro-Radh, Tambon Map Ta Phut,
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Tel. 66(0) 2265-8400 Fax: 66(0) 2265-8500

References Securities Registrar

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey, Bangkok 10110
Tel. 66(0) 2229-2888
Call center 66(0) 2229-2888 Fax 66(0) 2654-2888
Website <http://www.tsdc.co.th>

Registrar and Debenture Holders Representative

Thai Military Bank Public Company Limited
3000 Phaholyothin RD., Chompon, Chatuchak,
Bangkok 10500
Tel. 66(0) 0099-1536, 1321 Fax: 66(0) 2242-3270
Website <http://www.tmbbank.com>

Registrar Services

Siam Commercial Bank Public Company Limited
Registrar Markets Operations Division
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Ratchatawee, Bangkok 10400
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Corporate Trust

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Website <http://www.scb.co.th>

US\$ Bond Registrar

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Island East, Hong Kong
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Bangkok 10330

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Fax: 66(0) 2639-1956 to 57 (Trademark)
66(0) 2639-1958 (Patent)
Website <http://www.dsb.co.th>

BUSINESS VALUE CHAIN



REFINERY & SHARED FACILITIES

- LPG
- Light Naphtha
- Reformate
- Jet A1
- Diesel
- Fuel Oil

AROMATICS

- Benzene
- Toluene
- Paraxylene
- Orthoxylene
- Mixed Xylenes
- Cyclohexane



OLEFINS

- Ethylene
- Propylene
- Pyrolysis Gasoline
- Mixed C4

SERVICES AND OTHERS

- Jetty and chemical tank farms
- Utility businesses
- Plant maintenance and engineering design services
- Safety, Occupational Health, and Environmental services
- Pipeline infrastructural services
- Information technology services
- Labor outsourcing services
- Marketing and sales for health and nutrition products

POLYMERS

- HDPE
- LDPE
- LLDPE
- PS
- PVC



EO-BASED PERFORMANCE

- Ethylene Oxide / Ethylene Glycol (EO/EG)
- Ethanolamine
- Ethoxylate

GREEN CHEMICALS

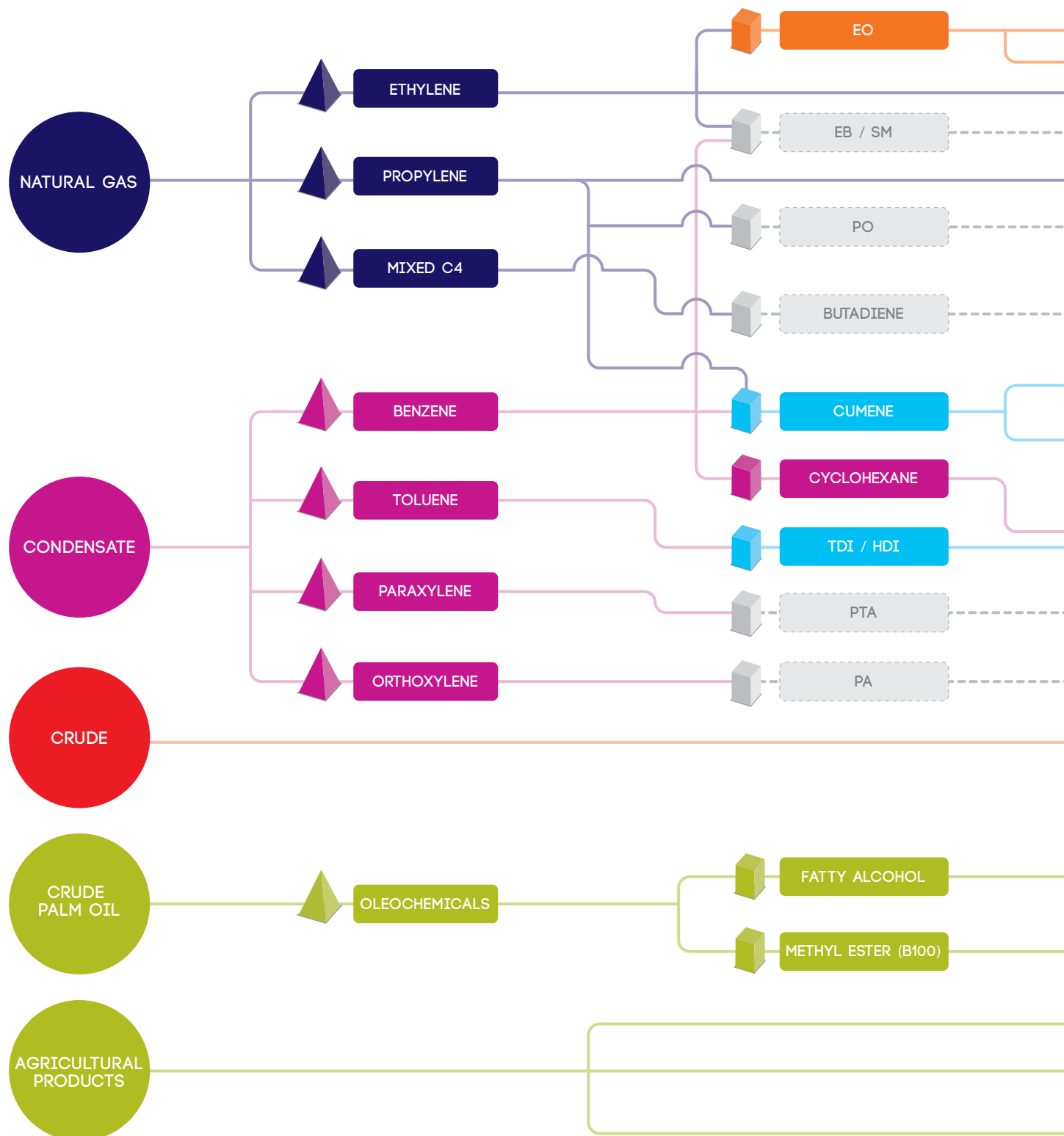
- Methyl Ester
- Fatty Acid
- Fatty Alcohol
- Glycerin
- Specialty Oleochemicals
- Bioplastics

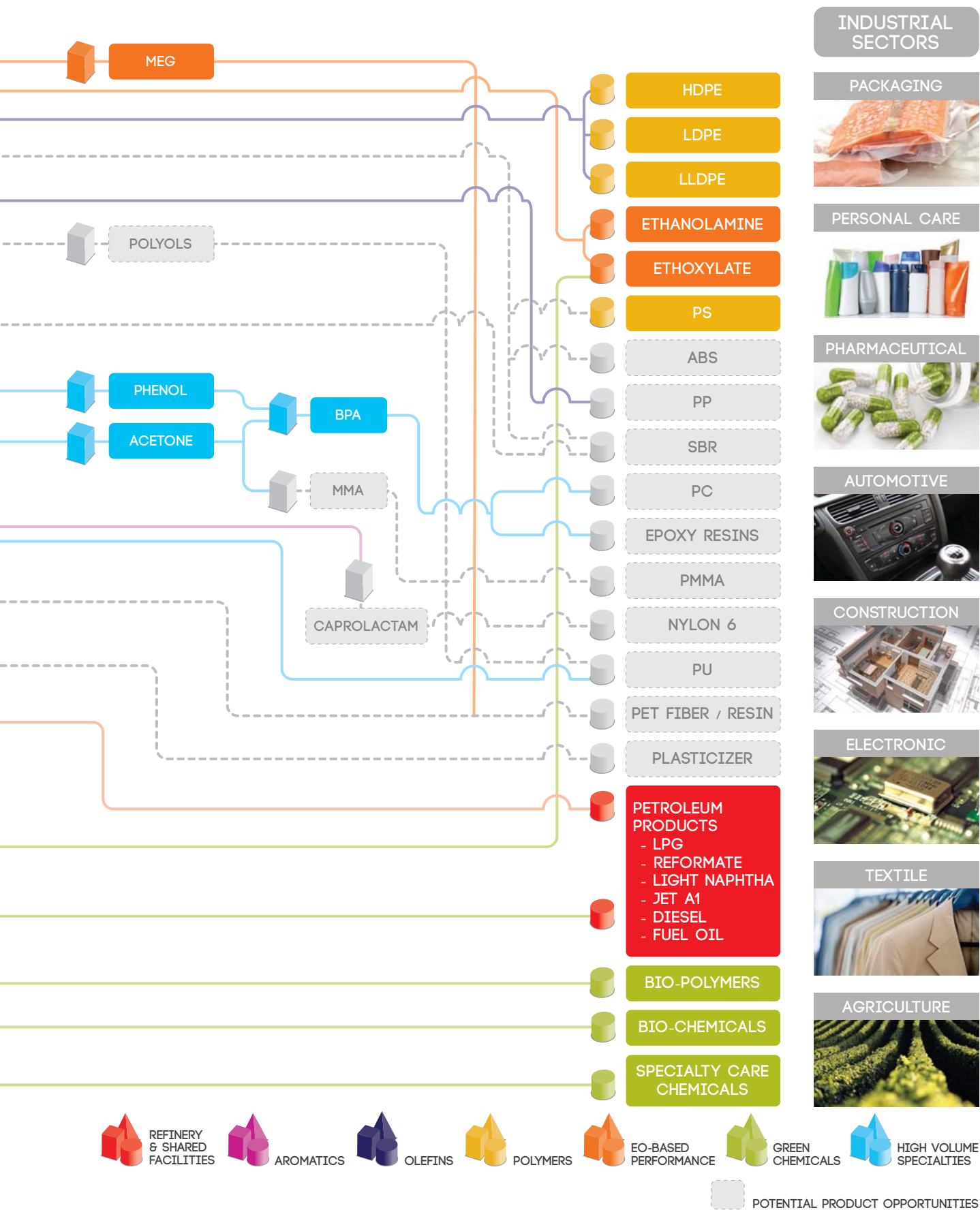
HIGH VOLUME SPECIALTIES

- Phenol
- Bisphenol A
- Toluene Diisocyanate (TDI)
- Hexamethylene Diisocyanate and Derivatives (HDI & HDI Derivatives)



BUSINESS FLOW CHART





REFINERY AND SHARED FACILITIES

OVERVIEW

PTTGC is one of the leading refineries and producers of petroleum in Thailand, owning and operating modern, Complex refineries with Hydrocracker and Visbreaker units. So, we are able to convert fuel oil to more valuable middle distillate products. Refining capabilities stand strong

at 145,000 barrels per day. Additionally, Company refineries are flexible and are able to adjust according to customer needs as well as any volatility in the markets. A summary of our petroleum production capabilities and their uses is listed as follows:

| PETROLEUM PRODUCTS | | PRODUCT USES |
|--------------------|---------------|--|
| Light Distillates | LPG | - Fuel |
| | Light Naphtha | - Petrochemical feedstock (Olefins Plants) |
| | Reformate | - Gasoline blending component |
| Middle Distillates | Jet Fuel | - Petrochemical feedstock (Olefins Plants) |
| | Diesel | - Gasoline blending component |
| Heavy Distillates | Fuel Oil | - Petrochemical feedstock (Aromatics Plants) |
| | | - Aviation fuel |
| | | - Automotive fuel |
| | | - Industry fuel |
| | | - Bunker fuel |
| | | - Industry fuel |

MAJOR OPERATIONS IN 2012

In 2012, PTTGC was able to produce petroleum products in the amount of 70.7 Million barrels. A total of 71.9 Million barrels of feedstock was used in these processes. Below is a chart listing the amounts of crude oil used in refinery operations as well as CDU utilization rate.

| | 2012 |
|---|------|
| CDU utilization (Thousand Barrels per day) | 145 |
| Crude Oil Intake (Thousand Barrels per day) | 146 |
| CDU Utilization % | 100% |

Sales of refined products were made in the amount of 70.7 Million barrels, with the main products of diesel and jet fuel production capacity is sold domestically, which accounts for 21% of the domestic market share. Additionally, PTTGC was able to attract new customers, especially for fuel oil and reformat products, all contributing to increased production flexibility and sales. Refined products were also exported throughout the ASEAN region including to Singapore and Vietnam. This totaled to 30% of Refined product sale.

In regards to environmental friendliness, PTTGC refinery operated according to the standards set forth by the Environmental Impact Assessment Report (EIA) in an effort to reduce effects on the environment. Production processes were retrofitted and improved to increase productivity and energy efficiency. For example, improvements and cleaning of the heat exchangers used in the production processes was performed. Power generation processes employed the use of cogeneration, improving efficiency and reducing

the emission of greenhouse gases, as well as using low NO_x Emission gas turbine generators to reduce the emission of nitrous oxide. Vapor recovery Units were used to reduce the release of Volatile Organic Compounds (VOC) to zero.

Aside from this, PTTGC's refinery manufactures low-sulfur diesel fuel that meets Euro IV standards. This helps to reduce the emission of sulfur dioxide from production processes located in Map Ta Phut Industrial Estate, as well as from the ignition of diesel vehicles.

In 2012, PTTGC received an award for waste management that met the requirements of the 3Rs (3Rs Award) from the Department of Industrial Works. Also, the Company was granted the EIA Monitoring Award 2012, and was recognized for its perfect score for Corporate Government in regards to the Environment (White Flag Green Star Award).

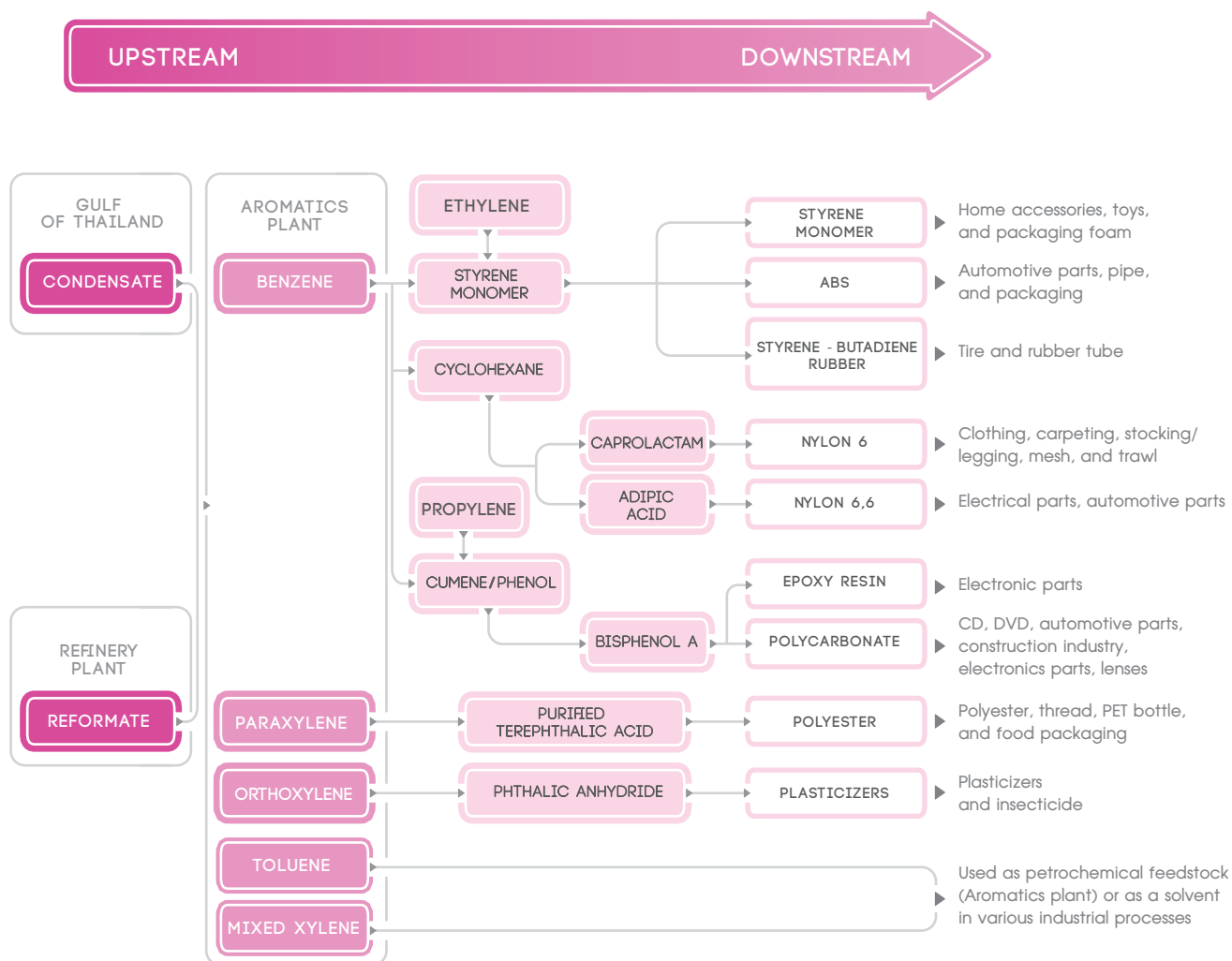


AROMATICS

OVERVIEW

PTTGC is a manufacturer and seller of Aromatics products, adding value to the condensate feedstock sourced from the Gulf of Thailand. PTTGC has two Aromatics production units which have a combined condensate splitter of 135,000 barrels/day, as well as production

processes for a variety of Aromatics products. These include Paraxylene, Benzene, Cyclohexane, Orthoxylene, Mixed xylenes and Toluene, for a total of 2,259,000 tons per year. A summary of Aromatics products and product application is shown in the chart below.



PTTGC Aromatics plants are also able to produce a number of by-products. These include LPG and light Naphtha and added extra value by using as feedstock for Olefins production. Condensate Residue is employed to further increase value, refined separately into jet fuel, diesel fuel and fuel oil.

MAJOR OPERATIONS IN 2012

In 2012, PTTGC used a total of 5.9 million tons of feedstock in the production of Aromatics products. An important type of feedstock in this was Condensate, which was procured through PTT Plc. in an amount of 43 million barrels at market price, PTTGC was able to produce 2.01 million tons of Aromatics products. Figures describing Aromatics production and the BTX Utilization Rate can be seen below.

| | 2012 |
|--|-------|
| Aromatics Production Capacity (Thousand Tons/year) | 2,259 |
| Aromatics Production (Thousand Tons) | 2,014 |
| BTX Utilization Rate (%) | 86% |

PTTGC was able to sell approximately 3.3 million tons of Aromatics Products, including by-products. Of this, 58% of sales were made through PTT Plc. Leading domestic market shares were captured of around 50% in Benzene sales and of approximately 55% in sales of Paraxylene. Other Aromatics Products were exported throughout Asia: Singapore, Taiwan, Indonesia, Malaysia, China, India and Korea. Additionally, exports were made to other regions such as Saudi Arabia, Kuwait and the Netherlands.

In regards to environmental preservation, the production of Aromatics products has been done strictly, meeting the standards set forth by the Environmental Impact Assessment Report (EIA). Additionally, PTTGC has taken further steps in an effort to reduce the effects of operations on the environment. Installation of vapor recover units (VRUs) to collect volatile organic vapors from Benzene storage tanks in Aromatics Plants 1 and 2 has been performed. In the long term, installation of vacuum machinery will be activated to capture volatile organic vapors in all tanks. Work is expected to be completed in 2013. PTTGC also voluntarily maintains a complete record of all volatile organic compounds released during operations, a mandate the Ministry of Industry has yet to formally require.

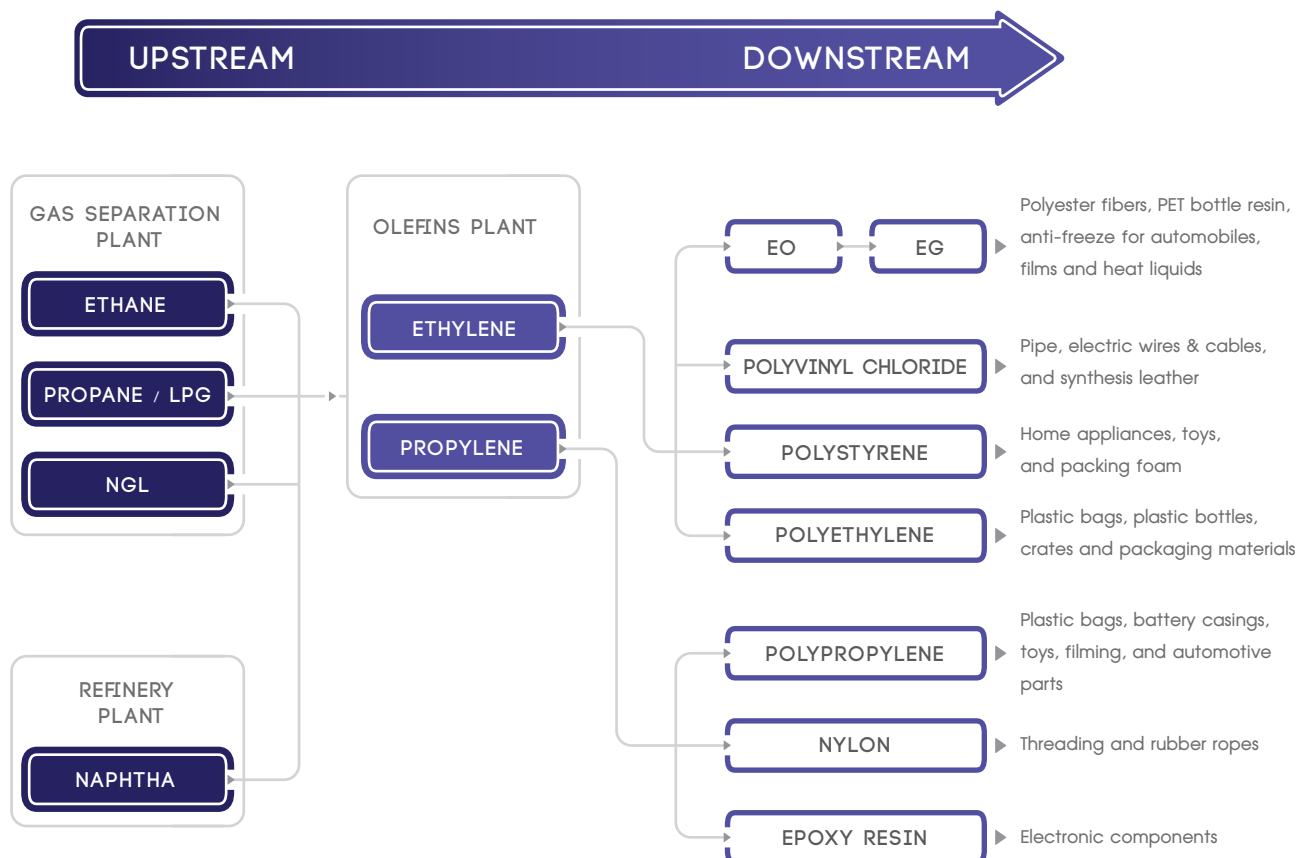


OLEFINS

OVERVIEW

PTTGC is a manufacturer and seller of Ethylene and Propylene, otherwise known as "Olefins". Sales are made within PTTGC Group to downstream petrochemical plants producing High-Density Polyethylene (HDPE), Low-Density Polyethylene (LDPE), Linear Low-Density Polyethylene (LLDPE), and Ethylene-Oxide/Ethylene-Glycol (EO/EG).

At the end of 2012, PTTGC had a Nameplate Capacity for overall Olefins production of 2,888,000 tons/year. That includes 2,376,000 Ethylene tons per year and 512,000 Propylene tons per year. An overall view of Olefins production, as well as related uses can be seen in the chart below.



PTTGC operates plants that use both natural gas as well as Naphtha as feedstock. This versatility enables the Company to reap the greatest benefit from feedstock availability. In regards to by-products from Olefins production, PTTGC uses them for the most part to increase value in different ways. For example, pyrolysis gasoline is turned into Aromatics products to increase their value, and Cracker Bottom is used in the distillation processes of PTTGC refineries.

MAJOR OPERATIONS IN 2012

In 2012, PTTGC was able to produce a total of 2.55 million tons of Olefins, maintaining a utilization rate of 88%. Of that, 2.15 million tons were the Ethylene production and 0.40 million tons of Propylene production. Important feedstock components in these processes included Ethane, Propane, and LPG - all are by-products from natural gas sourced from PTT Plc's natural gas distilleries. In 2012, 98% of feedstock was natural gas procured through PTT Plc.

| | 2012 |
|--|-------|
| Production Capacity (Thousand Tons/Year) | 2,888 |
| 1. Ethylene | 2,376 |
| 2. Propylene | 512 |
| Production Figures (Thousand Tons) | 2,552 |
| 1. Ethylene | 2,151 |
| 2. Propylene | 401 |
| Utilization Rate (%) | 88% |

The majority of Company Olefins products were sent to downstream plants operated by subsidiaries of PTTGC and to domestic customers.

In 2012, a total of 59,205 tons of Ethylene and 92,304 tons of Propylene were export. This makes up a respective 3.9% and 22.9% of total Ethylene and Propylene sales.

As for environmental preservation, the Company's Olefins Plants I-1 and I-4 both received an award for adhering to 3Rs standards. Additionally, Olefins Plant I-1 was honored with a "Zero Waste to Landfill Achievement Award", presented by the Department of Industrial Works of the Ministry of Industry.



POLYMERS

OVERVIEW

Polymers business unit is an important downstream entity stemming from Olefins production. Polymers have variable use in consumer products, as well as, being used for industrial and agricultural purposes to enhance life's modern conveniences. As such, PTTGC has placed a high degree of importance on this business unit. In 2012, PTTGC had a total combined production capacity for HDPE, LDPE, LLDPE, and PS of 1,590,000 tons per year. Polymers production is done both through the Company itself as well as through subsidiaries. Subsidiaries that PTTGC maintains 100% ownership of include Bangkok Polyethylene Company Limited (BPE) and PTT Polyethylene Company Limited (PTTPE). Production is also done through Thai Styrenics Company Limited (TSCL), owned 100% by PTTPE, as well as, Vinythai Public Company Limited (VNT) of which 24.98% shares are held by PTTGC.

Furthermore, PTTGC maintains 25% ownership in PTT Polymer Marketing Company Limited (PTTPM), which acts as a representative of the Company in all its marketing and sales endeavors of polymer-based products. This relationship helps to increase our domestic and international marketing potential. Polyethylene resins are sold under the "Innoplus" trademark, while Polystyrene resins are sold under the "Diarex" trademark. Following is a list of important polymer-based PTTGC products and their intended uses.

1) HIGH-DENSITY POLYETHYLENE (HDPE)

is a downstream petrochemical product. It is mainly used as a substrate in film, blow molding, piping, injections, and fibers. Its features can be adjusted to meet a variety of customer needs, such as in the production of plastic bags, water bottles, milk bottles, bottles for lubricant oils, household products, and toys. They can also be used in the production of construction, industrial, and agricultural equipment such as ropes, trawls, nets, crates, pallets, pipes and in conduits.

2) LINEAR LOW DENSITY POLYETHYLENE (LLDPE)

is used in the packaging industry, in products like shrink film, stretch film, high load bags, garment bags and frozen food packaging. In addition to being used in filming processes, LLDPE can also be used in pipes, electrical wires and cables.

3) LOW DENSITY POLYETHYLENE (LDPE)

can be used to create cold bags, frozen bags, zippered bags, film for agricultural pipes, wire and cable insulation, household items, cup lids, children's toys, IV tubes, plastic squeeze bottles, toothpaste tubes, snack packs, plastic flowers, shoes, shrink film, food wrap, and coating materials.

4) POLYSTYRENE PRODUCTS (PS)

PTTGC produces two different types of polystyrene. The first is General Purpose Polystyrene (GPPS), normally used in disposable packaging for medical products and in the hotel industry, as well as in drinking bottles, toys and office products. The second is High Impact Polystyrene (HIPS), which is used as a substrate in products requiring high resistance to impacts. Examples include electronic products, household appliances, and certain types of toys.

5) POLYVINYL CHLORIDE (PVC)

is used in the production of pipes, filters, transparent and non-transparent film for product wrapping. It's also used as a coating material for floors, walls, and artificial leather.

MAJOR OPERATIONS IN 2012

In 2012, PTTGC was able to produce HDPE, LLDPE, LDPE, and PS products in the combined amount of 1.52 million tons. Production details and utilization rates are listed below:

| COMPANY | PRODUCT | PRODUCTION CAPACITY (THOUSAND TONS PER YEAR) | ACTUAL PRODUCTION (THOUSAND TONS) | UTILIZATION RATE (%) |
|---------|---------|---|--------------------------------------|-------------------------|
| PTTGC | HDPE | 300 | 306 | 102% |
| BPE | HDPE | 500 | 485 | 97% |
| PTTPE | LLDPE | 400 | 400 | 100% |
| | LDPE | 300 | 264 | 88% |
| TSCL | PS | 90 | 63 | 70% |

PTTGC has made environmental performance a primary focus. Resources are used efficiently and cost-effectively, as well as in a way to minimize impact on the environment. For example,

- Reverse Osmosis (RO) systems have been installed to treat wastewater in a sewage treatment plant. Afterwards, the clarified water can be re-used in production processes within the cooling water systems. This helps to reduce the amount of waste and maximize use of our natural resources.
- Equipment has been installed to increase efficiency in an effort to reduce environmental impact. This includes a Bag Filter System that collects dust from product loading and unloading and deposits it into silos.
- In regards to waste management of both general waste and industrial waste, solid wastes are separated into categories. It is then sold or disposed of, with amounts recorded and registered with the Department of Industrial Works. Liquid wastes are sold as fuel to companies who maintain registration with the Department of Industrial Works.

Additionally, PTTGC is focused on safety, occupational health and environmental management standards. In 2012, both BPE and TSCL received commemorative plaques silver level from the Campaign to Reduce Working Accidents to Zero. An Award for Outstanding Safety, Occupational health and Environmental was also presented to the Company by the Ministry of Labor in 2012.

In 2012, the Polymer production group's carbon footprint in producing 31 grades of HDPE was certified by the Greenhouse Gas Management Organization (Public Organization).



EO-BASED PERFORMANCE PRODUCTS

OVERVIEW

PTTGC has expanded its business to cover the production of EO-Based Performance Products (EO) for a number of reasons. Not only are they seen as an option to increase the value of Olefins products and meet the rising needs of industry and consumers, EO-based performance production will also fill a domestic void that normally relies on imports from various countries. This added capability will help Thailand's competitiveness in regards to the petrochemical industry. The range of these EO-Based Performance Products covers Ethylene Oxide and Ethylene Glycol (EO/EG), as well as various downstream products. These include downstream products (EO Derivatives) such as Ethanolamines and Ethoxylate.

In 2012, PTTGC had a production capacity for Mono Ethylene Glycol (MEG) of 395,000 tons per year. Production capacity for Ethanol Amines and Ethoxylate each amounted to 50,000 tons per year. Production of Ethylene Oxide is made through TOC Glycol Company Limited (TOCGC), a subsidiary, wholly-owned by PTTGC, as well as through Thai Ethoxylate Company Limited (TEX), of which PTTGC holds 50% of shares. Details regarding the production of important EO-Based products and their associated uses are listed below:

1) ETHYLENE OXIDE (EO) AND ETHYLENE GLYCOL (EG)

EO/EG are downstream products of Ethylene and they include Mono Ethylene Glycol (MEG),

Di Ethylene Glycol (DEG), Tri Ethylene Glycol (TEG), and Poly Ethylene Glycol (PEG). MEG is mainly used as feedstock together with PTA in the production of polyester fibers meant for industrial use, as well as in water bottles and PET bottles.

2) ETHANOLAMINE

is produced from Ethylene Oxide. They are used in the production of synthetic surfactants, which can help to soften leather or be used in agricultural chemicals or in antibiotics. They can also be used as ingredients in the production of shampoo, soap, curling agents, cosmetics, fabric softener, the pharmaceutical industry, the cement industry, and in the production of textiles.

3) ETHOXYLATES AND FATTY ALCOHOLS,

are downstream products of Ethylene Oxide, can be used as feedstock in the production of shampoo, dishwashing detergent, cleaning solutions, as well as in the textile industry. They can also be used as feedstock for scouring agents as well as an agent to assist in the process of thread softening.

MAJOR OPERATIONS IN 2012

In 2012, EO-Based Performance Products enjoyed a production capacity and utilization rate as detailed below:

| COMPANY | PRODUCT | PRODUCTION CAPACITY (THOUSAND TONS PER YEAR) | ACTUAL PRODUCTION (THOUSAND TONS) | UTILIZATION RATE (%) |
|---------|------------|---|--------------------------------------|-------------------------|
| TOCGC | EO/EG | 395 | 349 | 88% |
| | EA | 50 | 43 | 86% |
| TEX | Ethoxylate | 50 | 65 | 130% |

Regarding the sales of MEG products, PTTGC handles domestic sales both directly as well as through agents. Domestic sales account for more than 80% of production. Domestic market share for MEG is up around 60% from 2011. The remainder of MEG is exported, especially to markets in China and other areas in Asia. EA products are able to be used as feedstock or as a compound in various industrial productions. Customers for this product vary on the way they use it. Ethoxylate is used as a surfactant in the Personal Care and Home Care industries, being used either directly or as a feedstock. Examples of these products include shampoo, dishwashing, detergent, as well as a scouring agent in the textile industry. They can also be used as an agent to assist in the process of thread softening. In 2012, PTTGC sold EA and Ethoxylate both directly and through agents in an effort to create a domestic market in Thailand, as well as enter foreign markets in the region.

PTTGC has also taken a variety of steps to protect the environment. Examples of this include monitoring the concentration of chemicals in the atmosphere, the quality of air being released through plant smoke stacks, and the state of wastewater released from plants. Inspections

are made in accordance with the standards set for waste management. For waste that is sent to approved treatment centers, GPS tracking systems are used to prevent illegal dumping while on the route. Implementations of measures to reduce emissions of volatile organic compounds (VOC) have been made as well, with PTTGC strictly following all relevant environmental laws. In 2012, TEX was recognized in a number of ways. Standards were met to reach Level 3 of the Green Industry Project, A Good Governance Environment Award was presented by White Flag Green Star, and a 3R Award and Zero Waste to Landfill award was received as well.

In addition, the EO-Based Performance Products Units continue to place a great deal of focus on energy conservation. Inspections are done to ensure maximum efficiency of heat exchanges in chemical reactors in order to minimize dependence of steam. Hot water flow is also used in heat transfer processes. Inspections are done on production equipment to reduce any unnecessary power consumption. Finally, large water pumps are scheduled to operate at a different durations of time in order to reduce energy consumption.



GREEN CHEMICALS

OVERVIEW

Green Chemicals are products created mostly from natural feedstock such as palm oil, palm kernel oil, vegetable oil, and corn. These products, when processed, leave a variety of valuable by-products that can be used in downstream industrial processes. These include processes in the personal hygiene industry, pharmaceutical industry and the bio plastic industries. PTTC's Green Chemical production is conducted through two of its subsidiaries. The first is Thai Oleochemicals Company Limited (TOL, a wholly-owned subsidiary of PTTC). The second is Thai Fatty Alcohol Company Limited (TFA, a wholly-owned subsidiary of TOL).

Furthermore, PTTC also operates Green Chemicals business through a joint venture between one of its subsidiaries, PTT Chemical International Private Limited, and four other companies. The first is Emery Oleochemicals (M) Sdn. Bhd. (Emery). This is a joint venture between PTTC and Sime Darby Plantation Limited (Malaysia) - both holding 50% ownership. The second is Myriant Corporation. Partners in this venture include PTTC, which owns 47%, and former shareholders of Myriant. The third is Natureworks LLC, which is a joint venture between PTTC and Cargill Inc. from the United States - both holding 50% shares. And the fourth is Bio Spectrum Company Limited, which is a joint-venture between PTTC and Inventa Technology (S) Pte Ltd of Singapore. PTTC holds a 75% stake, with Inventa holding the other 25%. A summary of PTTC's joint-ventures in Green Chemicals is separated into 3 sections and summarized below.

VALUE ADDED OLEOCHEMICALS GROUP

1) METHYL ESTER

is a basic Oleochemicals that uses B100 methyl ester combined with diesel oils to create a biodiesel that meets EN14213 European standards. Methyl ester helps to increase the efficiency of diesel oils, both in its lubrication and to help its ignition process

in engines. It also increases the lifespan of engines that use it, and more importantly it minimizes impact on the environment.

2) FATTY ALCOHOL

is a basic Green Chemical product. It is used as an important starter in a number of different processes in the personal hygiene industry. Currently, TFA is the only producer of Fatty Alcohols in Thailand, helping to reduce the substantial dependence on foreign imports.

3) GLYCERIN

is a by-product from Green Chemical production processes. It can be used in the pharmaceutical industry, the food industry, and in personal hygiene products.

4) FATTY ACID

is basic Green Chemicals produced by Emery in Malaysia. They are used in soap and cosmetics, as well as in personal hygiene products.

5) SPECIALTY OLEOCHEMICALS

are created through continuous basic Green Chemical production processes, produced by Emery. These specialty products are able to be used in a variety of industries, such as industries covering cleansing products, personal hygiene products, lubricants, and plastics. Examples of specialty oleochemicals include triacetines, ozone acids, plastic additives, and chemicals used in the oil drilling industry.

FOOD AND NUTRACEUTICALS GROUP

6) CAROTENOIDS,

produced from organic substances, are created from palm oils. They are used in methyl ester during production processes for coloring purposes as well

as acting as a vehicle to introduce carotenoid into subjects both in liquid and powder form. They are used primarily in the food and nutraceutical industries as a coloring additive.

BIOPLASTICS/BIOCHEMICALS GROUP

7) BIO-BASED CHEMICALS AND BIO-PLASTIC

are organic products used as feedstock for processing various substrates. Examples include sugar, tapioca, cassava, and corn. They are used in the production of Lactic Acid and Succinic Acid,

which is used in downstream as substrates in the production of Bio Plastics. Bio Plastics are produced by Natureworks and Myriant, and include Polyactice Acid (PLA) and polysters such as 1, 4 Butanedoil.

A summary of products and production capacities for PTTGC's Green Compounds can be seen in the table below.

| COMPANY | PRODUCT | PRODUCTION CAPACITY (THOUSAND TONS PER YEAR) |
|-------------|---------------------------------------|---|
| TOL / TFA | Methyl Ester | 200 |
| | Glycerin | 31 |
| | Fatty Alcohol | 100 |
| Emery | Fatty Acid | 630 |
| | Glycerin / Triacetine | 152 |
| | Fatty Alcohol / Methyl Ester | 160 |
| | Ester-Plastic | 45 |
| | Ester-Oilfield | 20 |
| | Ozone Acid | 22 |
| | Fatty Acid / Fatty Alcohol Surfactant | 20 |
| Natureworks | PLA | 150 |

MAJOR OPERATIONS IN 2012

In 2012, TOL and TFA gained record high sales for Methyl Ester and Fatty Alcohol, due to its success in winning new customers both domestically and internationally. Expansion was continued into markets in China and India, while new markets were entered in Africa and Brazil.

In regards to the environment, TOL continues to operate according to ISO9000 Quality Standards, IS14000 or Environmental Management Systems (EMS), Thai Industrial Standards 18000 (TIS 18000), as well as Occupational Health and Safety Assessment System (OHSAS 18000). Additional certification standards were met including for Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Point (HACCP), as well as recognition from the Halal Standard Institute of Thailand.

HIGH VOLUME SPECIALTIES

OVERVIEW

High-volume specialties are intermediate and downstream petrochemical products. They are used as a component in a variety of different industries including the automotive industry, the construction industry, and in engineering plastics. Among the PTGC Group, there are two companies producing these types of products. The first is PTT Phenol Company Limited (PPCL), which is 60%-owned by PTGC. The second is Vencorex Holding in France, which is 51%-owned by PTGC. The following is a list of PTGC specialty products and their uses.

1) PHENOL,

an intermediate-stream petrochemical product, is created from Benzene and Propylene feedstock. It is used as an important substrate in the production of Bisphenol A (BPA) and Phenolic resin.

2) BISPHENOL A (BPA),

an intermediate-stream petrochemical product, is used as feedstock in the production of Polycarbonate (PC). PC is an engineering plastic that is used in various industries including the automotive components industry, the computer industry, the CD/DVD disk industry, and the home appliance industry.

3) TOLUENE DI-ISOCYANATE (TDI),

an intermediate-stream petrochemical product, is used as feedstock in the production of Polyurethane (PU). PU is a type of plastic that is important in the construction as well as in the automotive industry. It can be used as insulation in buildings to make them more energy efficient, as well as in the form of an all-purpose foam used in furniture, bedding, and car seats.

4) HEXAMETHYLENE DI-ISOCYANATE (HDI) AND HDI DERIVATIVES.

These intermediate-stream petrochemical products are used as feedstock in the production of PU Coating. PU coating is an important product in the construction and automotive industries. It can be used to coat the surface of wood, furniture, and automobiles to make them more resistant to scratches.

MAJOR OPERATIONS IN 2012

In 2012, PPCL had an installed production capacity for Phenol of 200,000 tons per year, for Acetone of 124,000 tons per year, and for Bisphenol A of 150,000 tons per year. PPCL's Phenol and Bisphenol A plants run continuously and are located in the Map Ta Phut Industrial Estate in Rayong Province. Vencorex Holding maintains three plants that produce TDI, HDI, and HDI derivatives for commercial purposes. They are located in France and the United States.

Below is a summary of production capacity, production numbers, and utilization rates for these operations.

| COMPANY | PRODUCT | PRODUCTION CAPACITY (THOUSAND TONS / YEAR) | ACTUAL PRODUCTION (THOUSAND TONS) | UTILIZATION RATE (%) |
|----------|----------------------------|---|--------------------------------------|-------------------------|
| PPCL | Phenol | 200 | 238 | 119% |
| | Acetone | 124 | 149 | 119% |
| | BPA | 150 | 110 | 74% |
| Vencorex | TDI | 125 | 82 | 66% |
| | HDI and HDI Derivatives | 35 | 30 | 85% |

PPCL has focused on maintaining its competitiveness, completing orders from customers made throughout the year. Various projects have been implemented as well to decrease energy use and increase production efficiency. In 2012, PPCL received authorization from the ISO Organization to expand the scope of its Integrated Management System (IMS) system to its Bisphenol A plants. This was to include IMS, ISO 9001, ISO 14001, OHSAS 18001, and TIS 18001. Furthermore, PPCL received an award recognizing it as an Outstanding Enterprise for Innovative Green Technologies. This award is given to establishments that show great commitment to environmental friendliness. It was presented at the 2012 National Engineering Conference.

Vencorex also has strived to maintain its competitiveness in the HDI and HDI derivatives business. Continual purchases were made by its customers throughout the year. Additionally, many projects were begun as well for TDI plants, in order to help reduce energy consumption and increase production capabilities with an aim of lowering overall production costs.



SERVICES AND OTHERS

Apart from the 7 business groups listed above, PTGTC also focuses on support activities that help to increase stability and integration for its main business areas as well as for its customers. These various activities are listed below:

1) JETTY AND CHEMICAL TANK FARMS

are managed through the Thai Tank Terminal Limited (TTT). These services are also provided as a concession to industrial organizations located in the Map Ta Phut Industrial Estate.

2) UTILITY BUSINESSES

are managed by the Global Power Synergy Company Limited (the previous provider was PTT Utility Company Limited (PTTUT), which merged with the Independent Power (Thailand) Company Limited on January 10th, 2013.) This new entity is responsible for the production and sale of industrial electricity, steam, and industrial water to PTGTC and nearby plants.

3) PLANT MAINTENANCE AND ENGINEERING DESIGN SERVICES

are provided by PTT Maintenance and Engineering Company Limited (PTTME). A variety of services are provided including plant maintenance, design and engineering consultation, construction, pipe and conduit work, procurement, material work and production administration. PTTME assists those industrial organizations located in the Map Ta Phut Industrial Estate, as well as industrial organizations located throughout Thailand and in neighboring Asian countries. Additionally, PTGTC cooperates with companies in the PTT Group in investment in PTT Energy Solutions Company Limited (PTTES). PTTES's scope of work includes providing technical engineering consultations for the PTT Group.

4) SAFETY, OCCUPATIONAL HEALTH AND ENVIRONMENTAL SERVICES

are provided through the NPC Safety and Environmental Services Company Limited (NPC S&E). Examples of these services include safety training, health and environmental training of all types, as well as design and installation of fire protection services. Furthermore, consultation is provided in regards to management systems, quality control systems, and safety, health, and environmental systems.

5) PIPELINE INFRASTRUCTURAL SERVICES

are provided through the Eastern Fluid Transport Company Limited (EFT). These services are mostly provided pipeline infrastructure for petroleum and petrochemical enterprises located within the Map Ta Phut Industrial Estate and nearby areas.

6) INFORMATION TECHNOLOGY SERVICES

are provided through PTTICT Solution Company Limited (PTTICT), which offers information technology (IT) and communications services to entities within the PTT Group.

7) LABOR OUTSOURCING SERVICES

are provided through Business Services Alliances Company Limited (BSA). These services are provided to PTT and other companies within the PTT Group.

8) MARKETING AND SALES FOR HEALTH AND NUTRITION PRODUCTS

is done through Bio Creation Company Limited (Bio Creation). BIO Creation is a subsidiary of PTGTC, and is responsible for trading related to Health & Nutrition Products in the Food and Supplement Industry, Personal Care products and compounds, and various other by-products.

INDUSTRY OVERVIEW IN 2012 AND FUTURE TRENDS

GLOBAL ECONOMY IN 2012 AND FUTURE TRENDS

The International Monetary Fund, or IMF, estimated last January 2013, that the Global Gross Domestic Product (GDP) in 2012 will have grown 3.2%, a slowdown when compared with growth rates in 2011. Causes of this include the economic situation in the United States, as well as the uncertainty regarding the Eurozone. Asian economies have not escaped the effects of these events, especially in China where the export-based economy heavily relies on Western markets. Regardless, the IMF believes the global economy in 2013 will enjoy greater expansion. Rates of Global GDP growth are expected to rise to 3.5% due to economic recovery. In order that the United States economy continues to recover due to the increased consumption and investment spurred on by monetary measures. However, there still remains a high risk regarding credit levels and unemployment. In regards to the European Zone economies, economic growth is predicted to contract 0.2%, stemming from the effects of strict fiscal austerity measures. However, various financial measures in China have been enacted that will have a positive impact on its domestic economic standing, as well as the global economy at large. These include new monetary and financial measures aimed at increasing domestic spending, as well as investments in infrastructure as per its 12th Five-Year Plan.

PETROLEUM AND PETROCHEMICAL MARKET OVERVIEW IN 2012

PETROLEUM MARKET

In 2012, prices in the global crude oil market remained volatile. Dubai Crude Oil fluctuated between 90 - 125 USD per barrel, at an average of 109 USD per barrel. This was an increase of 2.8% from 2011. Reasons for this increase include concerns over Middle Eastern oil supplies due to instability, as well as monetary measures were enacted in the United States (QE-3 and QE-4). Higher levels in the availability of capital resulted in increased speculation in crude oil prices.

Adversely, a number of factors have put downward pressure on the crude oil prices as well. They include concerns over the public debt crisis of Eurozone, as well as the economic slowdowns occurring in the United States and China. Additionally, production capacities in Libya, Iraq, and the South Sudan are expected to increase, and new sources of oil are being explored in North America.

In 2012, high levels of volatility were also seen in the price and spread of petroleum products just as in crude oil. Causes of this included the demand for seasonal products, both planned and emergency shutdowns of refineries in many countries, as well as uncertainty regarding the future of the global economy. Competition in the refinery industry in 2012 was not too severe, as the market remained quite tight with refineries in Europe and the United States were shut down as planned maintenance and emergency shutdowns due to fire and explosion, taking over 1 million barrels out of the global supply in the first half of the year.. Furthermore, demand for crude oil increased by about 0.8 million barrels per day over 2011.

AROMATICS MARKET

In 2012, the Aromatics Market decelerated relate to the global economic slowdown. However, as the result of a lack of Reformate and Pyrolysis Gasoline to be feedstock supply due to many refineries in the US, Europe, and Eastern Asia were shut down and crackers in the region reduced operating rate at low level as well as planned maintenance of Aromatics Plants also contributed to supply reductions. While the market demand remain expanded due to more new derivatives plants (especially PTA and Polyester plants), mainly in China started up. In addition, the price of crude oil and Naphtha feedstock continued to remain at high levels, causing the price of Paraxylene to be an average of 1,484 USD per ton and the average Benzene price was 1,207 USD per ton throughout the year.

In 2012, the competition in the Aromatics market was not intense especially in the end of the year due to the market remained tight as a result of the shortage of feedstock available for the production of Paraxylene and Benzene. As a result, the spread of Paraxylene and Condensate, as well as Benzene and Condensate remained high at about 538 and 261 USD per ton respectively.

OLEFINS MARKET

The Olefins Market in Asia during 2012 could be considered relatively volatile. The average price for Ethylene was 1,230 USD per ton. This was a 4% increase from the past year, mostly due to the feedstock costs remained high and the ethylene market was tight as shutdown for maintenance and reduced operating rate of Cracker plants in Asia and the Middle East due to planned and technical problems, resulting in reduced production capacities. However, there is a different situation in the Propylene market. Prices throughout the year to be an average of 1,267 USD per ton, a decrease of 9% from last year. An important factor in this decrease came from Propylene on-purpose unit (The production unit which produced Propylene to be the main product) can operate normally and the shutdown for maintenance and technical difficulties were at a minimum. Furthermore, more new supply additions in China, South Korea, and Taiwan, bringing a total annual production up to 2.4 million tons per year. Additionally, the demand in derivatives market were sluggish due to uncertainty in the global economy.

In 2012, the Olefins Market was not too competitive in Asia. Serious competition was only seen in the first half of the year, mostly in regards to pricing. At that time, the market was experiencing oversupply because of a reduction in demand due to economic uncertainty in the United States and China, as well as the crisis in the Eurozone economies.

POLYMERS MARKET

Polyolefins prices increased in line with the crude oil prices. But trading slowed down across the global markets despite the economic stimulus measures. By many buyers and

converters bought only enough for production. However, supply in 2012 was tight due to more stringent sanctions placed on Iran. Other factors included many polyolefins plants were shutdown due to technical difficulties, as well as port congestion problems in Saudi Arabia. To summarize, prices in 2012 for HDPE, LLDPE, and LDPE products were an average of 1,380, 1,354, and 1,362 USD per ton respectively.

EO-BASED PRODUCT MARKET

Mono Ethylene Glycol (MEG) is a Commodity Product and used as feedstock in polyester industries, is used as feedstock in downstream markets mainly textile and PET bottle industry. As such, the market for MEG generally moves in line with the polyester industry, especially in China where the need for MEG is the highest in the world. In regards to the derivatives markets such as EA and Fatty alcohol Ethoxylate, They were still sluggish as a result of lower ethylene feedstock prices and increased supply due to some derivatives plants restart the operation after planned shutdown. Additionally, demand for these products has decreased due to the economic slowdown in Europe and Asia.

GREEN CHEMICALS MARKET

In general, the global and domestic demand for Methyl Ester tend to be lower than the supply, mostly due to the policies and support from the government. In Thailand the government mandated to use Biodiesel B4 and B5 only. It affected the Methyl Ester to be steady. In regards to the Fatty alcohols and Glycerine markets in 2012, an improvement was seen since 2011, reflecting the increased consumption for those products, especially seeing growth in the Personal Care and Pharmaceutical industries.

In regards to Specialty Oleochemicals products such as Ozone Acid, Green Polymers, Agro Green, Oilfield Chemicals, Bio-Chemicals and Bio-plastics, these markets are still being affected by the crisis existent in the Eurozone economies as well as in the United States. However, the demand for Green Chemicals are increased significantly.

SPECIALTIES CHEMICAL PRODUCTS

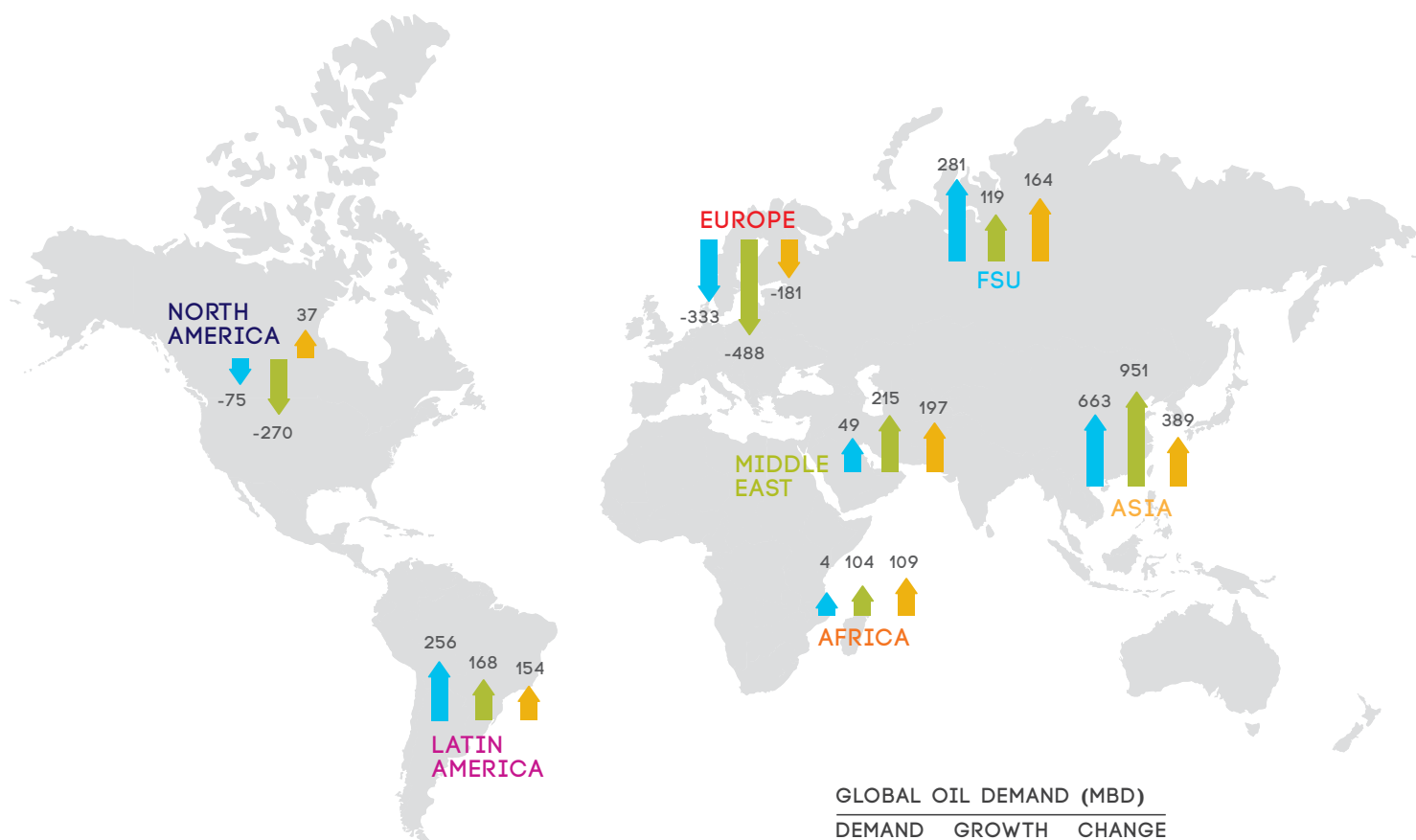
The global economic slowdown was the main factor pressured on the demand for Specialties Chemical products in 2012. Additionally, Phenol and Bisphenol A products were affected by the new plants in China can start commercial production, as well as the increased price of Benzene feedstock at the end of the year. These effects caused the spread between the price of Phenol and its feedstock to shrink when compared to 2011. In regards to the TDI market, increased feedstocks prices in line with the crude oil prices had an effect on the margin of TDI producers in the market, to be shrunk when compared with 2011.

PETROLEUM AND PETROCHEMICAL MARKET TRENDS FOR 2013

The International Energy Agency (IEA) of the United States forecasts that in 2013 the global demand for oil will increase

from 2012 by 0.87 million barrels per day, to a total of 90.5 million barrels per day. This increased demand will come mainly from East Asia, the Middle East, and the former Soviet Union. The most increase in demand for refined products is Diesel (about 60% of total demand growth), mainly from many industries in developing countries. Following Diesel is an increase in demand for Benzene and Naphtha. Production for crude oil among Non-OPEC members is expected to increase by 0.89 million barrels per day, to a total of 54.2 million barrels per day. This is the highest level of production since 2010, with the largest increases in production mainly from Brazil and the United States. It will less of a reliance on OPEC production, decreasing their production to 29.9 million barrels per day from 30.2 million barrels per day seen in 2011.

GLOBAL OIL DEMAND GROWTH 2011 / 2012 / 2013 (THOUSAND BARRELS PER DAY)



GLOBAL OIL DEMAND (MBD)

| | DEMAND | GROWTH | CHANGE |
|------|--------|--------|--------|
| 2011 | 88.9 | 0.85 | 1.0% |
| 2012 | 89.7 | 0.80 | 0.9% |
| 2013 | 90.5 | 0.87 | 1.0% |

The outlook for the petrochemical markets in 2013 are expected to be bullish, due to the global economy will show the sign of recovery. As a result of economic stimulus measures in the United States, China and other European countries. However, the petrochemical markets will be affected by many factors. These include the volatility in crude oil and Naphtha feedstock prices. Additionally, planned shutdown of the petrochemical plants for maintenance and many new petrochemical plants in Asia especially in China as well as in the Middle East will come on stream in, which will increase production capacities in 2013. These will have effects on the price and margin of petrochemicals producers throughout the year.

While the outlook for Green Chemicals markets such as Based Oleochemicals (Methyl Ester, Fatty Alcohol, Glycerine) and Specialty Oleochemicals (Ozone Acid,

Green Polymers, Agro Green and Oilfield Chemicals) as well as Bio-Chemicals and Bioplastics are still have the risk factors from the economic crisis in the Eurozone and the United States to pressure on the demand for these products to be decreased.. However, these markets are expected to grow continuously as a result of the strengthening economies in Asia and the demand for Green Chemicals will be increased in the future.

In 2013, the outlook for the prices and margins of Specialty Chemical products (Phenol and Toluene Di-isocyanate (TDI)) will be pressured on the feedstocks prices (such as Propylene, Benzene and Toluene) were expected to remain high as well as new supply in Asia, especially in China and South Korea will come on stream in this year. However, they will be supported by the global economic recovery and will make them to expand and grow continuously.



MANAGEMENT DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

PTT Global Chemical Public Company Limited ("the Company") was formed by the amalgamation between PTT Chemical Public Company Limited ("PTTCH") and PTT Aromatics and Refining Public Company Limited ("PTTAR") and registered as a new entity on October 19, 2011. For the Company's performance analysis purpose, the Company

prepared unaudited pro-forma consolidated financial statements of year 2011 for the comparison for year 2012. In 2012 the Company and its subsidiaries had a net profit of 34,001 Million Baht, increased 13% from year 2011 with earning per share (EPS) of 7.54 Baht per share. The performance can be summarized as follows:

TABLE : PERFORMANCE SUMMARY

| (UNIT: MILLION BAHT) | 2012 | 2011 | % +/- | 4Q/2012 |
|----------------------|---------|---------|-------|---------|
| Sale Revenue | 562,811 | 500,305 | 12% | 144,595 |
| EBITDA | 55,879 | 54,423 | 3% | 16,281 |
| Net Profit | 34,001 | 30,033 | 13% | 10,388 |
| Adjusted EBITDA* | 55,045 | 48,920 | 13% | 16,312 |
| EPS | 7.54 | 6.66 | 13% | 2.3 |
| Dividend Payout | 3.40** | 2.98 | 14% | |

Note

* Adjusted EBITDA refers to EBITDA excluding impact of inventory value (excludes Inventory and NRV) and excluding impact of commodity hedging

** The Board of Directors of PTT Global Chemical Public Company Limited (PTTGC) at the Meeting No. 2/2013 held on February 15, 2013, passed the resolution to propose the 2013 Annual General Meeting of Shareholders for approval on the dividend payment for the year 2012 operating performance of Baht 3.40 per share or 45% of the net profit, of which Baht 0.95 per share was paid as an interim dividend on September 19, 2012 and the final dividend payment will be Baht 2.45 per share. However, the right to receive dividend is subject to the approval of Shareholders at the 2013 Annual General Meeting.

In 2012, Company's financial performance improved from previous year as supported by overall production and sales increase i.e. Olefins's utilization rate in 2012 was at 88%, increased from previous year at 80% due to increasing gas flow as feedstock. MEG utilization rate increased to 88% from 65% in previous year. The increase was also supported by price increase. Dubai crude averaged at 109 USD/BBL, increased from previous year by 3% and major petroleum products spreads slightly decreased. As a result, market GRM was

4.7 USD/BBL, decreased from 4.9 USD/BBL in previous year due to the increased portion of condensate residue feedstock. Market P2F for Aromatics business unit was 257 USD/Ton, increased by 42% from previous year as mainly contributed from a significant increase in BZ spread over its feedstock. Regarding Olefins and Olefins Derivatives business unit, HDPE and LLDPE prices slightly increased whereas LDPE decreased significantly. However, volume-driven factor contributed to a better performance than previous year although there was

an adjustment in gas feedstock formula with PTT PCL in August 2012. In addition, PTTGC pursued strategic action plans in accordance with Company's strategies to achieve various Excellence Programs i.e. increased plants efficiency, introduced various grades of polymers

products that matched customers' needs, increased market share, and pursued synergy value after amalgamation. The Company's adjusted EBITDA increased by 13% compare to previous year.

MARKET OVERVIEW

PETROLEUM MARKET OVERVIEW

USD/BBL

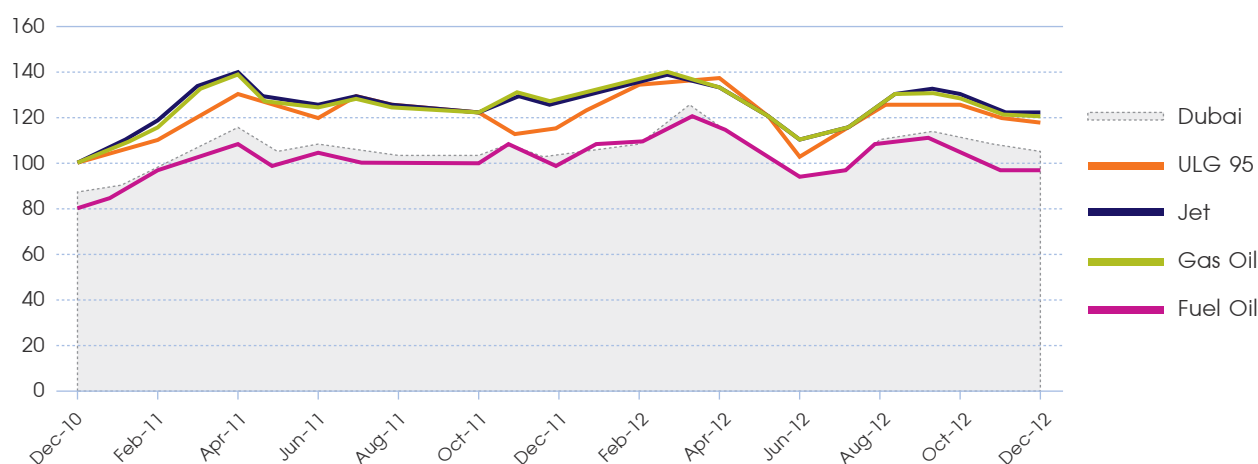


TABLE : PETROLEUM PRODUCT SPREAD OVER DUBAI CRUDE

| UNIT: USD/BBL | 2012 | 2011 | % +/- |
|----------------|------|------|-------|
| Dubai | 109 | 106 | 3% |
| Jet | 127 | 126 | 1% |
| Jet-Dubai | 18 | 19 | -5% |
| Diesel | 124 | 120 | 3% |
| Diesel-Dubai | 17 | 18 | -6% |
| Fuel Oil | 106 | 100 | 6% |
| Fuel Oil-Dubai | -4 | -6 | 33% |

Crude oil prices in 2012 remained volatile in the first half of the year and moved in a narrow range in the latter half of the year. Dubai crude averaged at 109 USD/BBL, increased from the previous year at 106 USD/BBL

or increased 3%. This was resulted from a dispute in the Middle East coupled with economic stimulus package of FED (QE3 and QE4) that led fund flow to speculate on risky assets including commodities. However, during

the year, the volatility of crude prices was also affected by negative factors i.e. debt crisis in Euro Zone, uncertainty in US economic recovery, and the economic slowdown in China. In addition, the resumption of halted capacities among countries with political unrest i.e. Lybia, Iraq, and South Sudan, including new crude sourcing in North America pressured oil prices to go further down.

Petroleum prices and spreads in 2012 were highly volatile, so were crude prices. This was resulted from various factors including season demand, plants shutdown in many countries. Jet-Dubai spread averaged at 18 USD/BBL, decreased from the previous

year by 1 USD/BBL mainly from lower demand in OECD countries as a result of weak economy and less severe than expected winter. Diesel-Dubai averaged at 17 USD/BBL, decreased from previous year by 1 USD/BBL as a result of lower demand due to weak economy especially in European region. Fuel oil-Dubai averaged at -4 USD/BBL, increased from previous year by 2 USD/BBL as a result of high demand in Japan that needed fuel oil for power production due to supply shortage from nuclear power plants shutdown from the earthquake back in 2011. However, the demand was supported by lost capacity from fire incidents at refineries in the US and Venezuela.

AROMATICS MARKET OVERVIEW

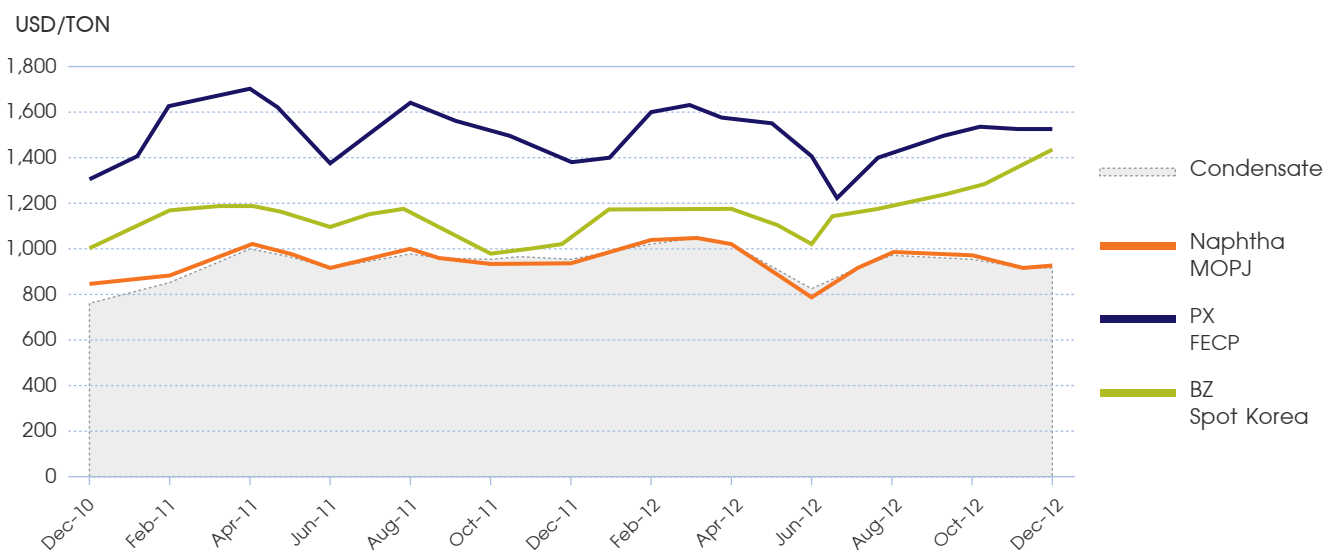


TABLE : SPREAD OF AROMATICS PRODUCTS AND CONDENSATE

| UNIT: USD/TON | 2012 | 2011 | % +/- |
|-------------------------------|-------|-------|-------|
| Condensate | 946 | 926 | 2% |
| Paraxylene FECF | 1,484 | 1,541 | -4% |
| Paraxylene FECF-Condensate | 538 | 615 | -13% |
| Benzene Spot Korea | 1,207 | 1,086 | 11% |
| Benzene Spot Korea-Condensate | 261 | 160 | 63% |

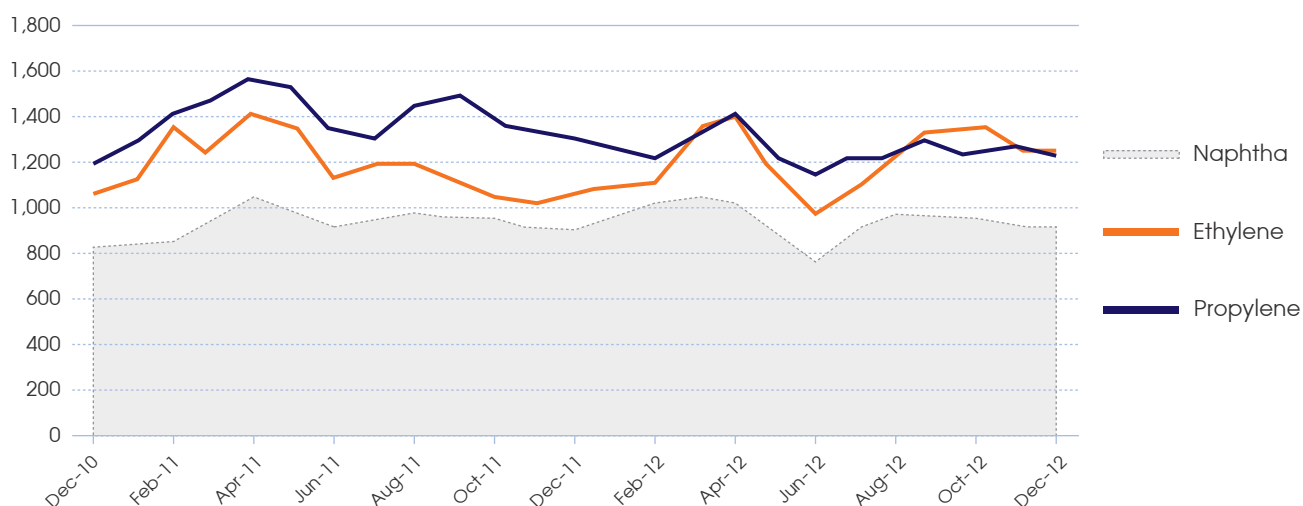
In 2012, PX price averaged at 1,484 USD/Ton, lower than previous year hence PX-Condensate spread averaged at 538 USD/Ton, decreased from 615 USD/Ton or 13%. This was resulted from a globally-lower demand of downstream derivatives producers (polyester and PET), however, at the end of 2012 the demand for paraxylene increased from new PTA capacities in China coupled with refinery shutdown in US, Europe, and East Asia which led to PX feedstock shortage in the latter half of 2012. As supply could not keep pace with demand in Asia especially

China, PX price and spreads increased significantly in the last few months of 2012. In addition, BZ price averaged at 1,207 USD/Ton and BZ-Condensate spread averaged at 261 USD/Ton, increased from 101 USD/Ton from previous year or increased 63%. In 1H/12, BZ-Condensate averaged at 180 USD/Ton and moved upward in 2H/12 from BZ tight supply from BZ feedstock shortage i.e reformate and pygas. BZ-Condensate price soared highest in December 2012 at the average of 541 USD/Ton.

OLEFINS AND DERIVATIVES MARKET OVERVIEW

OLEFINS MARKET OVERVIEW

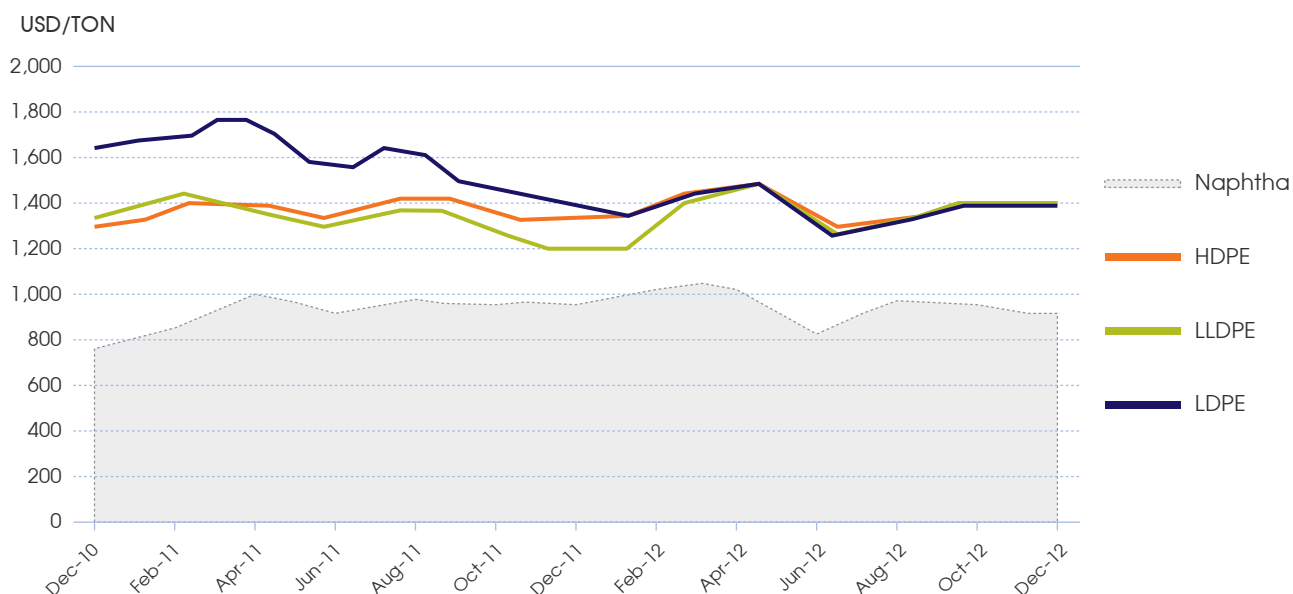
USD/TON



In 2012, ethylene price averaged at 1,230 USD/Ton, increased from previous year by 43 USD/Ton or 4%. Ethylene price remained volatile as supported by increasing crude oil and naphtha prices that went up in 1Q/12 before falling sharply in 2Q/12 and, however, remained steady in 2H/12. Key factors affecting price volatility derived from unrest in Middle East and Iran sanction including tight ethylene market at certain period due to maintenance shutdown and planned reduction of operating rates and certain technical

problems of olefins plants in the region especially China. However, during the year, ethylene price went down from uncertainty in global economy, causing producers to maintain inventories level only in accordance with production plan. In addition, two new olefins plants in China, Daqing Petrochemical and Fushun Petrochemical (combined capacity of 1.4 million tons), started commissioning in 2H/12 and pressured ethylene price even further

POLYMER AND MEG MARKET OVERVIEW



In 2012, HDPE (SEA) price averaged at 1,380 USD/Ton, increased from previous year by 7 USD/Ton or 1%. Polymers price moved up in line with crude prices while buying activities and sentiment slowed down from economic uncertainty and concern over fiscal cliff as well

as extended debt crisis in Greece then had spread to Spain, Italy, and France, causing producers to maintain low level of inventory. HDPE-naphtha spread averaged at 437 USD/Ton, increased from previous year by 2 USD/Ton or 1%.

| UNIT: USD/TON | 2012 | 2011 | % +/- |
|---------------|-------|-------|-------|
| Naphtha | 943 | 938 | 1% |
| HDPE | 1,380 | 1,373 | 1% |
| HDPE-Naphtha | 437 | 434 | 1% |
| LLDPE | 1,354 | 1,339 | 1% |
| LLDPE-Naphtha | 411 | 401 | 2% |
| LDPE | 1,362 | 1,602 | -15% |
| LDPE-Naphtha | 419 | 664 | -37% |

LLDPE price averaged at 1,354 USD/Ton, increased from previous year by 15 USD/Ton or 1%. LLDPE-naphtha spread averaged at 411 USD/Ton, increased from previous year by 10 USD/Ton. LDPE price decreased from the same period of last year and averaged 1,362 USD/Ton, decreased 240 USD/Ton or 15%. LDPE-naphtha spread averaged at 419 USD/Ton, decreased by 245

USD/Ton as LDPE products are feedstock for products of which major markets were in Europe and US where economies were weakened. As a result, those LDPE supplies instead of exporting to Europe and US had to be exported to Asia, hence, LDPE market in Asia became a surplus and pressured price further.

| UNIT: USD/TON | 2012 | 2011 | % +/- |
|-------------------|-------|-------|-------|
| MEG | 1,179 | 1,314 | -10% |
| MEG-0.65 Ethylene | 379 | 542 | -30% |

MEG (SEA) averaged at 1,179 USD/Ton, decreased from previous year by 135 USD/Ton or 10% due to economic uncertainty, volatile crude prices, and weakened MEG demand that had major correlation with polyester demand that remained continuously weak. As a result,

MEG price was pressured although in certain period, MEG supply was short, price did not improve as much. In addition, ethylene as major feedstock for MEG went up in accordance with crude prices, as a result, MEG-ethylene decreased sharply by 30% from previous year.

PERFORMANCE ANALYSIS BY BUSINESS UNIT

REFINERY BUSINESS

In 2012, the Company has total intake of 197 KBD increased by 35 KBD from year 2011 or 22% increased. Of the 197 KBD, 146 KBD was crude intake which increased by 15 KBD from year 2011 or 12% and was

condensate residue and other feed intake of 51 KBD increased by 20 KBD from year 2011 or 63% which was due to an increase in condensate residue volume from aromatics unit. The Company has terminated condensate residue contract with PTT since January 31, 2012

Refining CDU utilization rate was 100% comparing to 90% in 2011 due to maintenance shutdown of 47 days in 1Q/2011

TABLE : REFINERY INTAKE

| | 2012 | 2011 | % +/- |
|--------------------------------------|------|------|-------|
| Crude (M.BBL)* | 53 | 48 | 12% |
| (KBD)** | 146 | 131 | 12% |
| Condensate Residue & Others (M.BBL)* | 19 | 11 | 63% |
| (KBD)** | 51 | 31 | 63% |
| Total Intake (M.BBL)* | 72 | 59 | 22% |
| (KBD)** | 197 | 162 | 22% |
| CDU Utilization Rate | 100% | 90% | |

CDU Capacity = 145 KBD

Condensate Residue Splitter Capacity = 58 KBD

Total Capacity = 203 KBD

* Million Barrel

** Kilo Barrel / Day

TABLE : PETROLEUM SALES

| PRODUCT | 2012 | | 2011 | | % +/- |
|---------------|--------|------|--------|------|-------|
| | K.BBL | % | K.BBL | % | |
| Light Naphtha | 5,677 | 8% | 4,902 | 9% | 16% |
| Reformate | 5,494 | 8% | 3,209 | 6% | 71% |
| Jet/Kero | 6,293 | 9% | 6,090 | 11% | 3% |
| Diesel | 38,799 | 55% | 28,417 | 52% | 37% |
| Fuel Oil | 9,245 | 13% | 7,836 | 14% | 18% |
| Others | 5,210 | 7% | 4,635 | 8% | 12% |
| Total | 70,717 | 100% | 55,088 | 100% | 28% |

TABLE : GROSS REFINERY MARGIN

| UNIT : USD / BBL | 2012 | 2011 | % +/- |
|-----------------------------|------|------|-------|
| Market GRM | 4.7 | 4.9 | -5% |
| Hedging Gain / (Loss) | 0.4 | -0.7 | -148% |
| Stock Gain / (Loss) Net NRV | -0.3 | 2.5 | -112% |
| Accounting GRM | 4.8 | 6.7 | -29% |

Refinery unit operation in 2012 improved from 2011 from a better utilization even though market GRM decreased to 4.7 USD/BBL from 4.9 USD/BBL in 2011. This was due to middle distillate product spread that has declined from prior year. Jet-Dubai spread was 18 USD/BBL in 2012, 1 USD/BBL decreased from year 2011 or 5% decrease. Diesel-Dubai spread averaged at 17 USD/BBL in 2012, down 1 USD/BBL from 2011 or downed 6%

Furthermore, refinery unit incurred stock loss and net NRV loss at 0.3 USD/BBL or 680 MB in 2012 as Dubai crude price moved in narrow range from the end of year 2011 to year 2012 while in 2011 with stock had a stock gain and NRV gain of 2.5 USD/BBL or 4,613 MB.

In 2012, the Company had commodity hedging gain of 0.4 USD/BBL while stock loss and accounting GRM of 4.8 USD/BBL, decreased from 2011 at 6.7 USD/BBL.

AROMATICS BUSINESS UNIT

AROMATICS SALES VOLUME

| PRODUCT | 2012 | | 2011 | | % +/-(-) |
|---------------------------|--------------|-------------|--------------|-------------|-------------|
| | K.TONS | % | K.TONS | % | |
| Benzene (BZ) | 595 | 18% | 606 | 14% | -2% |
| Paraxylene (PX) | 1,141 | 35% | 1,519 | 27% | -2% |
| Cyclohexane | 183 | 6% | 185 | 4% | -1% |
| Other BTX Products | 66 | 2% | 62 | 1% | 7% |
| Total BTX Products | 1,985 | 61% | 2,012 | 47% | -1% |
| Naphtha and Raffinate | 767 | 23% | 1,297 | 30% | -41% |
| Condensate Residue | 49 | 1% | 530 | 12% | -91% |
| Other By-Products | 461 | 14% | 445 | 10% | 4% |
| Total | 3,262 | 100% | 4,283 | 100% | -24% |

In 2012, aromatic plants had total intake of 5.91 M.TONS, increased 3% from 2011. BTX production decreased 2% from production yield that have changed due to some of the new source of the imported condensate which is cheaper and gave a

higher margin with lower BTX yield. In 2012, BTX yield was at 37%, decreased from 2011 at 39%. BTX utilization in 2012 was at 86% decreased from 2011 at 88% from maintenance shutdown in total of 36 days.

TABLE : AROMATICS INTAKE AND PRODUCTIONS

| | 2012 | 2011 | % +/-(-) |
|-------------------------|-------|-------|----------|
| Total Intake (K.TONS) | 5,911 | 5,753 | 3% |
| BTX Production (K.TONS) | 2,014 | 2,052 | -2% |
| BTX Utilization Rate | 86% | 88% | |

Aromatics performance in 2012 improved from 2011 due to an increase BZ - condensate spread to 261 USD/Ton, increased 101 USD/Ton or 63% increase. On the other hand, PX - condensate spread in the world market decreased approximately 13% when compare to 2011 but the Company has managed to find some new imported condensate source. In addition, domestic

condensate price link mainly to Brent price and was cheaper than market condensate price. As a result, market P2F of BTX increased to 257 USD/Ton from 181 USD/Ton in 2011 even though in 2012, the Company sold 3.26 M.Ton of aromatics product, decreased from 2011 at 4.28 M.Ton or 24% decrease in accordance to the decreased utilization rate.

TABLE : AROMATICS MARKET P2F

| UNIT: USD/TON | 2012 | 2011 | % +/- |
|-----------------------------|------|------|-------|
| Market P2F | 257 | 181 | 42% |
| Hedging Gain / (Loss) | -1.6 | 0.2 | -932% |
| Stock Gain / (Loss) Net NRV | 12.6 | 34.8 | -64% |
| Accounting P2F | 268 | 216 | 24% |

OLEFINS AND DERIVATIVES

TABLE : TABLE SALES VOLUME AND UTILIZATION RATE OF OLEFINS AND DERIVATIVES

| | 2012 | | 2011 | | % +/- |
|----------------------|----------------------|------------------|----------------------|------------------|-------------|
| | SALE VOLUME (K.TONS) | UTILIZATION RATE | SALE VOLUME (K.TONS) | UTILIZATION RATE | SALE VOLUME |
| Olefins ¹ | 748 | 88% | 737 | 80% | 2% |
| HDPE | 778 | 99% | 758 | 95% | 3% |
| LLDPE | 396 | 100% | 337 | 89% | 18% |
| LDPE | 273 | 88% | 158 | 56% | 72% |
| Total Polyethylene | 1,447 | 96% | 1,254 | 80% | 15% |
| MEG ² | 350 | 88% | 279 | 65% | 26% |

Note : 1. Sales volume of olefins is external volume

2. Utilization calculated on MEG capacity of 395 KTA

In 2012, overall performance of olefins and derivatives business unit has improved from 2011 due to an increase in production and sales volume. All plants' utilization

rate increased, for polyethylene plant to 96% in 2012 from 80% in 2011 while HDPE price averaged at 1,380 USD/Ton, increased by 7 USD/Ton or 0.5% increase.

OLEFINS AND DERIVATIVES ADJUSTED EBITDA MARGIN

| | 2555 | 2554 |
|------------------------|------|------|
| Adjusted EBITDA Margin | 27% | 28% |

Adjusted EBITDA margin (Excluding the effect of Stock loss and NRV and excluding the effect of commodity hedging) of olefins and derivatives reported at 27% in 2012, slight decrease from 2011 at 28% which was resulted from a significant decrease in LDPE price and the adjustment of gas price formula with PTT in 3Q/12. Since August 1st, 2012, the Company has adjusted

gas feedstock pricing formula with PTT as reported to Stock Exchange of Thailand. The new gas price formula has resulted to a higher feedstock price for petrochemical production of approximately 40 USD/Ton or 8% increase, however, the Company was able adjust our selling price with our customer to pass through some of the cost increased.

OLEFINS BUSINESS UNIT

TABLE : OLEFINS INTAKE

| | 2012 | | 2011 | |
|-------------|--------|-----|--------|-----|
| | K.TONS | % | K.TONS | % |
| Natural Gas | 3,100 | 87% | 2,808 | 87% |
| Naphtha | 473 | 13% | 414 | 13% |
| Total | 3,574 | | 3,222 | |

Olefins utilization rate of 2012 was 88%, improved from prior year at 80%, mainly due from gas feedstock volume from PTT to the Company's olefins and resulted in better production. On the other hand in 2011, PTT's gas separation plant unit no. 6 started commercial operation in 1Q/2011 and was not able to fully supply the gas to the Company in the beginning but in the second half the year, the GSP was able to smoothly supply the gas

flow. Also, the effect from flooding in Thailand in 4Q/2011 has caused lower electricity usage and lower need for gas and resulted in less gas supply from gas separation plant. The Company's olefins units has total production intake of 3.57 M.TONS of which 87% of the intake was gas and 13% was naphtha. Crackers shutdowns in 2012 are as follows: Plant I-4/2 in total of 46 days, I-4/1 in total of 26 days, and PTPE Cracker 13 days

POLYMER BUSINESS UNIT

Performance of polymer unit in 2012 has improved from 2011 due to an increase in production and sales volume of every product while price of LDPE has significantly decreased. Performances of main products are as follow:

PERFORMANCE: HDPE

Utilization rate of HDPE plants were 99%, improved from 95% in 2011 as there were shutdowns of HDPE I-1 for 15 days for cleaning, of BPE1 plant for 30 days for maintenance, and of BPE2 plant for 26 days for cleaning. The mentioned shutdowns were planned shutdowns, therefore, the Company was able to manage the run rate to meet its target.

Overall performance of HDPE in 2012 also improved from 2011 due to improved volume and price. Sales

volume in 2012 increased 3% while HDPE price averaged at 1,380 USD/Ton, 0.5% increased from prior year. Even though the price of HDPE in 2012 fluctuate in the same way as crude oil price and was lowest in June, but HDPE price improved toward the 2H/12. Sales of HDPE improve 6%.

PERFORMANCE: LLDPE

Utilization rate of LLDPE plant was at 100%, increased from 2011 at 89% as the plant was able to run fully. Performance of LLDPE improved in 2012 in comparison to 2011 as revenue of LLDPE increased 18% which was mainly due to an 18% increase in sales volume and slight price increase of 1% to 1,354 USD/Ton from 2011.

PERFORMANCE: LDPE

Utilization of LDPE was at 88% increased from utilization rate in 2011 at 56% due to in 2012 LDPE plant had planned

shutdown in total of 78 days while in 2011, LDPE plant started commercial operate for the first year and its run was not as smooth.

The performance of LDPE plant improved from previous year as stated above coupled with better plant efficiency. As a result, production and sales volume increased despite lower LDPE price. Sales volume increased by 72% although LDPE price averaged at 1,362 USD/Ton, decreasing from 1,602 USD/Ton or went down by 15% from previous year. However, revenue from sales for LDPE business increased 46% from previous year.

GREEN BUSINESS UNIT

Green business unit performance improved from previous year. ME utilization rate was 93%, increased from previous year at 62%. FA utilization rate was 101%, increased from 81% in previous year. Crude palm oil in 2012 decreased

PERFORMANCE: MEG

MEG utilization rate was at 88%, increased from previous year at 65% mainly from the resumption its expansion of 95,000 tons per annum. The Supreme Court dismissed the case of protection measures for temporary relief of the Company's expansion for IEAT to grant an operating license on November 29, 2012.

Revenue from sales for MEG increased 15% from more increased sales volume than decreased MEG price. Sales volume increased by 26% although MEG price decreased and averaged at 1,179 USD/Ton, down from 1,314 USD/Ton or down by 10% from previous year.

from 2011 by approximately 17% due to additional supply in the market and continuously-increased CPO inventory in Thailand as well as CPKO product price that decreased 33%. However, P2F margin of green business unit increased 17% from previous year.

HVS BUSINESS UNIT - PHENOL

Revenue from Phenol business decreased from previous year as a result from significantly decreased product prices in 2012. Production and sales volume from PTT Phenol increased, contributed to an increase in utilization rate to 119% from 115% in previous year. BPA utilization decreased to 74% from 79% in previous year (utilization

rate of 2011 derived from 9 month production capacity as BPA plant started commercial operation in April 2011). However, BPA production volume increased 25% whereas products price decreased. Phenol-BZ spread decreased 57% from previous year, BPA-Phenol spread decreased 47% from previous year. As a result, P2F margin for Phenol business decreased by approximately 25%.

INTERNATIONAL BUSINESS UNIT

Emery performance in 2012 decreased from 2011. P2F margin decreased by 8% as a result of continuously decreased sales volume of fatty acid and derivatives by 19% and decreased average price by 9%. However, the Company realized net profit of Emery for THB 156 million in 2012 compared to THB 29 million in 2011. The increase was contributed from gains from extraordinary items, insurance claim from business interruption and property damage in the amount of USD 11 million.

Myriant performance in 2012 decreased from previous year. In 2012, the Company lost profit from the investment in Myriant for THB 566 million, compared to a loss of THB 475 million in 2011. As Myriant is a research and development company, expenses remain high prior to commercial operation.

The Company purchased 50% shares in Natureworks in May 2012. Natureworks business focuses on the production

of bio-plastic, Poly Lactic Acid (PLA). The Company registered loss in the investment in Natureworks in the amount of THB 94 million due mainly from weakened European economy hence decreasing sales portion in the region. The investment of PTTGC in Natureworks aims to take more footsteps into bio plastic business as well as learn its technology, production, and sales to potentially build a plant in Asia.

The Company purchased 51% shares in Vencorex in May 2012. Vencorex is the owner of technology and a major manufacturer of Isocyanates, particularly Toluene Diisocyanate (TDI), Hexamethylene Diisocyanate (HDI) and its derivatives. In 2012, utilization rate was 70% due to maintenance shutdown of TDI and HDI plants in June 2012. The Company registered gain from the investment in Vencorex of THB 333 million. The investment in Vencorex aims to obtain the technology of manufacturing Poly Urethane.

OPERATING PERFORMANCE

| | | FY2012 | | FY2011 | | YOY | | 4Q/2012 | |
|---|------|----------|-----|----------|-----|---------|------|----------|-----|
| | | M.BAHT | % | M.BAHT | % | M.BAHT | % | M.BAHT | % |
| Sales Revenue | | 562,811 | 100 | 500,305 | 100 | 62,506 | 12 | 144,595 | 100 |
| Feedstock Cost | | -470,191 | -84 | -423,641 | -85 | -46,550 | -11 | -117,517 | -81 |
| Product to Feed Margin | | 92,620 | 16 | 76,664 | 15 | 15,956 | 21 | 27,078 | 19 |
| Variable Cost | (1) | -16,525 | -3 | -10,423 | -2 | -6,102 | -59 | -4,782 | -3 |
| Fixed Cost | (2) | -15,871 | -3 | -12,256 | -2 | -3,615 | -29 | -5,064 | -4 |
| Stock Gain / (Loss) & NRV | (3) | 175 | 0 | 6,778 | 1 | -6,603 | -97 | -323 | -0 |
| Gain / (Loss) Hedging Commodity | (4) | 659 | 0 | -1,275 | -0 | 1,934 | 152 | 292 | 0 |
| Other Income | (5) | 5,552 | 1 | 4,294 | 1 | 1,258 | 29 | 2,205 | 2 |
| SG & A | (6) | -10,731 | -2 | -9,359 | -2 | -1,372 | -15 | -3,126 | -2 |
| EBITDA | | 55,879 | 10 | 54,423 | 11 | 1,456 | 3 | 16,281 | 11 |
| Depreciation & Amortization | (7) | -15,358 | -3 | -13,608 | -3 | -1,750 | -13 | -4,152 | -3 |
| EBIT | | 40,521 | 7 | 40,815 | 8 | -294 | -1 | 12,129 | 8 |
| Financing Expenses (Net Interest) | | -5,523 | -1 | -5,576 | -1 | 53 | 1 | -1,387 | -1 |
| FX Gain / (Loss) | (8) | 911 | 0 | -724 | -0 | 1,635 | 226 | 409 | 0 |
| Shares of Gain / (Loss) from investment | (9) | -44 | -0 | 161 | 0 | -205 | -127 | -127 | -0 |
| Corporate Income Tax | (10) | -1,416 | -0 | -3,102 | -1 | 1,686 | 54 | -694 | -0 |
| Net Profit After Income Tax | | 34,449 | 6 | 31,574 | 6 | 2,875 | 9 | 10,329 | 7 |
| Portion of Net Profit | | | | | | | | | |
| Shareholders | | 34,001 | 6 | 30,033 | 6 | 3,968 | 13 | 10,388 | 7 |
| Minorities | | 448 | 0 | 1,541 | 0 | -1,093 | -71 | -59 | -0 |
| Adjusted EBITDA | | 55,045 | 10 | 48,920 | 10 | 6,125 | 13 | 16,312 | 11 |

Note : Adjusted EBITDA refers to EBITDA excluding impact of inventory value (excludes Inventory and NRV) and excluding impact of commodity hedging

COMPARISON OF OPERATION

(1) VARIABLE COST

The Company's variable cost for 2012 was 16,525 MB increased 6,102 MB or 59% from 2011 mainly due to an increase in production volume in 2012. In addition, variable cost increased from international investment of 3,876 MB of which 3,671 MB was from Vencorex and Natureworks, investment made in May 2012. Furthermore, variable cost increased from EURO IV operating unit which started operation in November 2011 and an increase in natural gas which resulted in higher utility cost of approximately 8% from cost in 2011.

(2) FIXED COST

Fixed cost in 2012 reported at 15,871 MB, increased 3,615 MB or 29% increase, mainly due to fixed cost of Vencorex and Natureworks of 2,259 MB and an increase in maintenance cost of 520 MB from start commercial operation of BPA plant of PPCL. In addition, there was an increase in fixed cost from inventory management from an increase in production of HDPE, LLDPE and LDPE plants in total of 205 MB.

(3) STOCK GAIN/(LOSS) AND NRV

In 2012, the Company incurred stock gain and NRV of 175 MB, of which 99 MB was stock gain (Refinery stock loss of 680 MB and Aromatics stock gain of 779 MB) due to a slight increase in crude oil Dubai price from end of 2011 at 106 USD/bbl to 107 USD/bbl at end of 2012 with 5.81 M. bbl feedstock inventory at year end. In addition, the Company incurred NRV gain of 76 MB mainly from Phenol and BPA business due to product price that has risen at the end of 2012 compare to average price at the end of 2011. In 2011, the Company reported stock gain and NRV of 6,778 MB.

(4) GAIN/(LOSS) FROM COMMODITY HEDGING

In 2012, the Company reported gain from commodity hedging of 659 MB increased 1,934 MB from 2011 or 152% increase of which 218

MB gain from stock hedging of 4.4 M.bbl from a decrease in crude oil price at lower than level the Company bought forward and 405 MB gain from crack spread hedging of 9.4 M. bbl from petroleum product spread moved lower than level that the Company has hedged. In 2011, the Company reported stock loss hedging of 1,162 MB.

(5) OTHER INCOME

Other income in 2012 reported at 5,552 MB, increased 1,258 MB from 2011 or 29% increase which came from investment of Vencorex which consolidated 750 MB of other income into the Company. Vencorex incurred income from sharing plant facility in France and incurred income from gain on bargain purchase of 944 MB to record fair value according to accounting standard. In addition, the Company incurred other income from insurance claim for business interruption of Emery plant, LDPE plant, and jetty of 659 MB.

(6) SG&A

SG&A in 2012 recorded at 10,731 MB increased 1,372 MB from 2011 or 15% increase due mainly from SG&A of Vencorex and Natureworks of 713 MB. In addition, the Company recorded SG&A from employee benefit adjustment from amalgamation of 543 MB and international investment consultant fee of 70 MB.

(7) DEPRECIATION AND AMORTIZATION

Depreciation and amortization in 2012 was reported at 15,358 MB increased 1,750 MB from 2011 or 13% due mainly from depreciation and amortization of Vencorex and Natureworks of 855 MB, depreciation of EURO IV unit of approximately 220 MB (start commercial operation in November 2011) and depreciation of BPA plant of 110 MB (start commercial operation in April 2011). In addition, adjustment of PPA from the amalgamation incurred depreciation and amortization of 723 MB. However, some decrease in depreciation of

olefins and polymer plants which have extended its depreciation life from 25 years to 35 years since the amalgamation to reflect the actual life of the plants.

(8) GAIN/(LOSS) FROM FX

In 2012, the Company reported gain from FX of 911 MB, of which are mainly due to foreign exchange hedging based on Company's policy.

- In beginning of 2012, the Company has foreign liability of 629 MB while at the end of 2012 Baht appreciate 1.05 Baht/USD from beginning of 2012. The Company realized gain of 660 MB.
- Gain from derivative under Company's policy was 89 MB
- On September 19th, 2012 the Company issued 1,000 MUSD bond and had small foreign exchange loss effect.
- The Company incurred foreign exchange gain from normal operation of approximately 232 MB

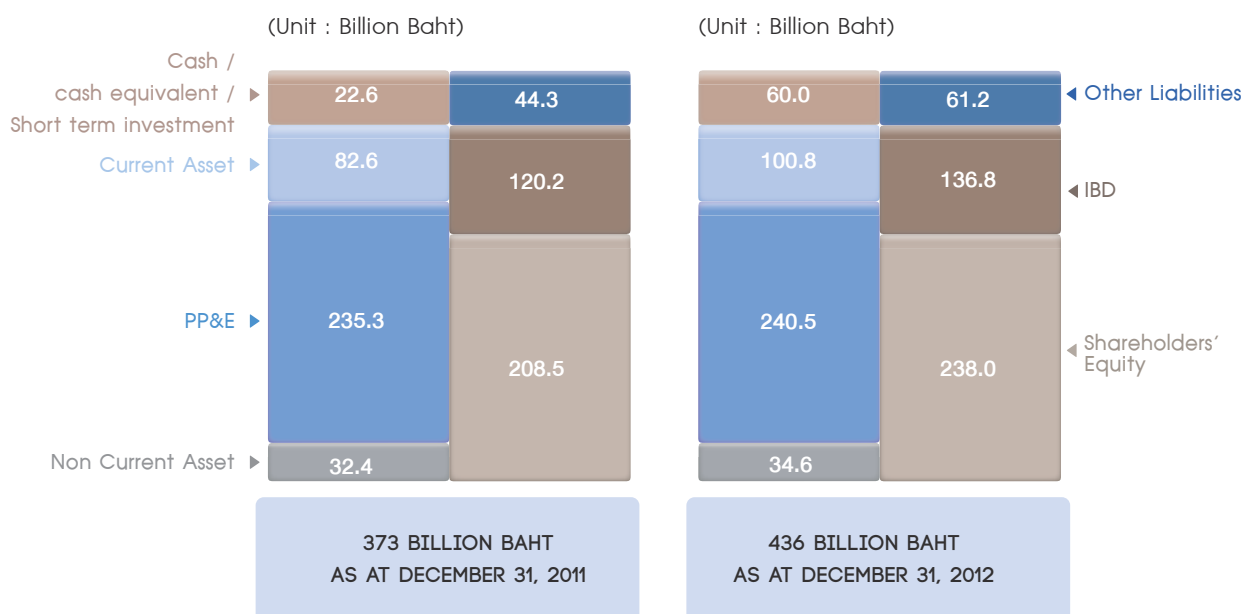
(9) GAIN/(LOSS) FROM SHARE OF INVESTMENT

The Company reported loss from share of investment of 44 MB in 2012, decreased 205 MB from 2011 or 127% decrease mainly due to consolidation of investment in VNT which decreased 66 MB and investment in Myriant which increased in loss of 144 MB.

(10) CORPORATE INCOME TAX

In 2012, the Company reported corporate income tax of 1,416 MB, decreased 1,686 MB or 54% decrease from a decrease in performance of non-BOI units, especially of refinery which decreased corporate income tax reported in 2012 by 1,117 MB due to the decrease in stock gain. In addition, the Company received tax benefit from GT-Nox Reduction project and benefit from the decrease in corporate income from 30% to 23% in 2012.

STATEMENT OF FINANCIAL POSITION



ASSET

As at December 31, 2012, the Company had total asset of 436,062 MB increased 63,095 MB or increased 17% from December 31, 2011 which due mainly to an increase in current asset of 55,654 MB or 53% increase. Non-current asset increased 7,441 MB or 3% increase.

- 1) Current asset increased 55,654 MB mainly due to the following reasons.
 - Cash and cash equivalent increased 12,296 MB due to cash received from the issuance of 1 billion USD bond on September 19, 2012
 - Account receivable increased 11,259 MB due to account receivable the Company's international business unit of which 3,381 MB is from Vencorex and Natureworks. In addition, the increase in

volume from the resume of operation of TOCGC. In 2012, AR turnover averaged at 30 days, at the same level as prior year.

- Inventory increased 4,902 MB due to an increase in inventory of Vencorex and Natureworks in total of 3,428 MB. Inventory turnover of 2012 averaged at 19 days, slight decreased from year end 2011 at 21 days.
- Other current asset increased 27,197 MB due to an increase of short term investment of 25,160 MB from investment in the bill of exchange (B/E) for such as product and service insurance 760 MB, account receivable from oil fund 220 MB and other current asset from international business unit increased 365 MB.

| | YEAR END 2012 (DAY) | YEAR END 2011 (DAY) | + / (-) (DAY) |
|--------------------|------------------------|------------------------|------------------|
| AR Turnover | 30 | 30 | 0 |
| Inventory Turnover | 19 | 21 | -2 |

- 2) Non-current asset increased 7,441 MB due mainly to the following reasons.
 - Property plant and equipment increased 5,154 MB or 2 % increase due to an increase in value of asset of Vencorex and Natureworks of 9,456 MB, increase in completed portion of the project, and increase in asset cost from turnaround of aromatics and olefins I-4/2 plant.
 - Non-current asset increased 2,287 MB or 7% increase due to the Company's loan to Myriant of 40 MUSD or equivalent to 1,219 MB. In addition, an increase in non-current asset of Vencorex and Natureworks of 2,286 MB.

16% increase and increased in non-current liabilities of 24,039 MB or 23% increase.

- 1) Current liabilities increased 9,465 MB from the following reasons:
 - Short term loan from financial institution increased 766 MB or 36% increase, due to short term loan of Emery and Vencorex.
 - Account payable increased 11,216 MB or 41% increase, mainly due to account payable of Vencorex and Natureworks of 2,258 MB and increased in feedstock volume and price that had increased in 2012 from higher production rate.
 - Long term loan payable within one year decreased 6,426 MB due to the redemption of USD bond of 235 USD or approximately 7,600 MB, redemption of 2,100 Baht bond and repayment of subordinated loan of 4,988 MB back to PTT in 2012. The Company also has 8,000 MB increase in current portion of debenture.

LIABILITIES

As at December 31, 2012, the Company had total liability of 198,017 MB, increased 33,504 MB or increased 20% from December 31, 2011 which resulted mainly from an increase in current liabilities of 9,465 MB or

- Other current liabilities increased 571 MB or 61% increase, due mainly to an increase in current liabilities of Vencorex and Natureworks in total of 192 MB and an increase in oil and LPG fund 240 MB of which is mostly oil fund for diesel due to change in fund contribution rate from 0 to 1.5 Baht/liter
- 2) Non-current liabilities increased 33,698 MB mainly due to
 - Long term loan increased 22,350 MB or 23% increase from an issuance of USD of 1,000 billion USD and from an increase in Natureworks' loan of 10 MUSD or 309 MB.
 - Obligation from employee benefit increased 972 MB or 46% increase due mainly to obligation from employee benefit of Vencorex in the amount of

653 MB and record of the Company's employee benefit liabilities for 2012.

SHAREHOLDER'S EQUITY

As of December 31, 2012, the Company recorded total shareholders' of 238,045 MB increased 29,585 MB or 15% increased from December 31, 2011. In 2012 the Company has net profit of 34,001 MB and the exercise of ESOP warrant which increased paid up capital and share premium of 28 MB and 139 MB respectively. Gain from reversing of unexercised warrant transaction of 7 MB and an increase in the non-controlling interests by 5,662 MB resulted mainly from the investment in Vencorex. The Company also paid dividend for year 2011 and for the interim year 2012 in total of 10,139 MB and PPA adjustment from warrant exercised of 60 MB.

STATEMENT OF CASH FLOWS

As of December 31, 2012, the Company had net cash from operating activities of 54,881 MB, net cash used in investing activities of 41,689 MB, net cash used in financing activities of 1,327 MB and foreign exchange

effect on balance hold in foreign currency 425 MB. This resulted to cash and cash equivalents as ending 2012 of 31,269 MB with additional short term investment of 28,792 MB, comparing to as ending January 1, 2012 of 18,973 MB.

KEY FINANCIAL RATIOS

| FINANCIAL RATIOS | 2012 | 2011 |
|-------------------------------------|--------|--------|
| Current Ratio | 2.31 | 1.75 |
| EBITDA to total revenues | 9.85% | 10.79% |
| Net Profits to total revenues | 5.99% | 5.95% |
| Return on total assets | 7.80% | 8.05% |
| Return on equity | 14.28% | 14.41% |
| Interest Bearing Debt to equity | 0.58 | 0.58 |
| Net interest bearing debt to equity | 0.32 | 0.47 |
| Net interest bearing debt to EBITDA | 1.38 | 1.79 |

NOTE:

| | | |
|--|---|--|
| Current ratio | = | Current assets divided by current liabilities |
| EBITDA to total revenue (for the last 4 quarters) | = | EBITDA divided by total revenue (exclude profits/ (losses) from exchange rates and share from investment in subsidiaries & associated companies) |
| Net profit on total revenue (for the last 4 quarters) | = | Net profit divided by total revenue (exclude profits/ (losses) from exchange rates and share from investment in subsidiaries & associated companies) |
| Return on total assets | = | Net profit (for the last 4 quarters) divided by average total assets |
| Return on equity | = | Net profit (for the last 4 quarters) divided by average total shareholder's equity |
| Interest Bearing Debt to Shareholders' Equity | = | Interest Barring Debt divided by shareholder's equity |
| Net Interest Bearing Debt to Shareholders' Equity | = | Interest Barring Debt net from cash and cash equivalent and current investments divided by shareholder's equity |
| Net Interest Bearing Debt to EBITDA | = | Interest Barring Debt net from cash and cash equivalent and current investments divided by EBITDA (for the last 4 quarters) |



RISK MANAGEMENT AND RISK FACTORS

RISK MANAGEMENT

PTT Global Chemical Group is aware of risks associated with its business operation, investment and strategy and therefore has adopted a policy of managing risk throughout the organization in a systematic manner. New risk management initiatives have been made to proactively manage both short-term and long-term risks under an Early Warning System (EWS). Additionally, the scope of risk management has begun to cover throughout supply chain under Business Continuity Management, aiming at business units that are ready to start with first.

Risk Management Committee (RMC) administers the risk management through the Company's Management Committee (MC), RMC's core mechanism and through the Company's Commercial and Financial Risk Management Committee (CFRM), a team in charge of formulating a hedging strategy and setting price and volume of raw material feedstock, products and funds to be hedged, all of which are in accordance with the Company's risk management policy and framework as approved by RMC.

PTTGC constantly conducts both quantitative and qualitative risk assessments of PTTGC group. Financial model analysis is performed to evaluate Value at Risk (VaR), which help identify potential impact on the Company's financial performance under possible scenarios. Analysis between impact severity and probability of occurrence is used to comprehend potential risks that may affect the Company's business and project objectives. A risk management plan has then been formulated according to a set guideline. Monitoring and analysis of internal and external factors that could possibly affect production, sales, and pricing of both feedstock and products, as well as of financial and economic conditions are performed on a continual basis. All these are to minimize the probability of risks to occur and/or to reduce impact if such risks

were to take place. This helps members of management and other employees to understand the changes of information in the same way as to be able to make proper preparation for a potential risk scenario.

RISK FACTORS

PTTGC places importance on managing risk according to an international standard. However, due to the nature of the business that the Company is involved in, especially in regards to industries related to refinery, petrochemical, polymers production, and others, it may not be possible to avoid certain risks inherent in such industries conditions that, if occur, may affect PTTGC Group business performance significantly. These risks can be classified in to two types: Industrial Risks and Company-specific Risks.

Outside of risk factors that are discussed in this report, there might be a number of other risk factors that PTTGC does not know or is not aware of their significance at the time of this report preparation and that might cause a severely negative impact on PTTGC Group's performance in short and/or long terms.

INDUSTRIAL RISKS

► PRICE RISKS

Price volatility of products and feedstock can affect the PTTGC Group's business operations significantly as our product and feedstock are of global market or market-based price formula. It is affected directly from the ever-changing demand for products, which is dependent on global economic conditions as well as the economic conditions of individual countries that are major consumers of these products. Along with volatility of production levels and the availability of feedstock in the global market, these risk factors are outside the control of PTTGC Group.

Mitigation Approach: PTTGC has a transparent pricing policy it uses in its purchase and sales contracts for

products and feedstock, both for PTTGC and its subsidiaries. This policy results in pricing that reflects several market price, with the aim of reducing pricing volatility. Additionally, it provides a pricing model that is included in its vendor contracts for Company products and feedstock, as well as, between PTTGC and its subsidiaries or between subsidiaries themselves. It provides flexibility in the pricing of feedstock to reflect the value it represents of the end products that are produced from them, helping to avoid situations in which the investment cost to retrieve such feedstock would be higher than its true market value. Through this pricing model, PTTGC is able to protect itself from the adverse effects of price volatility, especially during industry down-cycles or times of sluggish market activities.

PTTGC implements Risk Management policies for the prices of feedstock and end products, especially for crude oil. Derivatives are used to evaluate hedging strategies, whether they are to make purchases ahead of time or employ the use of other appropriate financial instruments. These policies are covered under the framework set forth by the Risk Management Committee. The overall aim is to reduce the risk of price changes in feedstock and end products that are integral to the Company in achieving its goals.

In addition, PTTGC sets a plan of coordination between production and business units within PTTGC Group. This improves efficiency in the production and sales of goods, hoping to achieve the highest profitability possible under existing constraints and timeframes. Effects on PTTGC Group from price volatilities in feedstock and end products are reduced to a certain degree.

PTTGC Group continues to explore business opportunities that promise high potential as well as meet its strategic interests. Such diversification will help reducing a negative impact on the price of end products or feedstock of a particular business unit within

PTTGC Group. Additionally, it will help stabilize PTTGC Group revenues and profits, both in the medium and long terms. This is a major contributing factor in helping PTTGC Group maintain its competitiveness and sustainable growth.

► **FEEDSTOCK RISK**

PTTGC Group recognizes the risks involved in the procurement of feedstock. These risks include the failure of PTT Plc., our major supplier, in meeting its contract obligations, as well as risks related to external factors that have an effect on the feedstock held by PTTGC or its subsidiaries.

Refinery operations are dependent on the supply of crude oil and other feedstock all of which come principally from the Middle East, the Far East, and West Africa. The procurement of crude oil and feedstock in these areas depends on various external factors. These include negative factors of political unrest and instability within countries in the region, the overland and sea-based transportation of oil, oil and energy governmental regulations, and climate and economic conditions in the region as a whole.

The operation of Aromatics plants depends on the procurement of condensate through PTT. Our Olefins plants also rely on ethane from PTT. Problems may arise if such supplier is unable to meet its contract obligations all of which may arise from a variety of reasons. For example, PTT might not be able to acquire the necessary feedstock in time or in the amounts required by PTTGC plans. Transportation might slow down. Issues might arise in the production of gas separation plants. These are all examples of potential situations that would have a significantly negative impact on the performance of PTTGC.

Mitigation Approach: PTTGC has long-term contracts to purchase crude oil, as well as a stockpile of crude oil and condensate. Preparations are made in the case that procurement of crude oil or condensate needs to be made

from other sources abroad, or employ the use of Naphtha as a feedstock substitute. Additionally, the transport of feedstock is monitored closely, with additional channels available to be used if necessary.

Furthermore, PTTGC monitors activity and changes in external factors. Continuous analysis and evaluations of various trends and factors are also performed to assess the effects on Company feedstock, in an effort to determine policies or management measures that could help to mitigate the risks in the supply of Company feedstock.

➤ CLUSTER-OF-PLANTS RISK

Refineries, large petrochemical plants, polymers plants and downstream petrochemical plants are often located in areas close to their feedstock suppliers or their customers to reduce the logistics costs. Our plants are located in the Map Ta Phut Industrial Estate or nearby. Majority of PTTGC's main suppliers and customers are in or close to this Industrial Estate. As such, if there were a severity incident to a plant, facilities or transport pipelines of PTTGC Group or our main suppliers or customers, the result may be a serious damage to the performance of PTTGC Group.

Mitigation Approach: PTTGC Group sets a safety standard for its plants to be of international standard. Insurance policies are used to protect against all types of risks and hazards that might arise from an operation of PTTGC or its subsidiaries, as well as to protect risks during ongoing construction projects. These insurance policies act as a mechanism to mitigate the effects of risks should any of them were to materialize.

➤ ENVIRONMENTAL RISK

Due to the nature of the industrial processes used in the operation of refineries, petrochemical plants, polymers production and downstream production plants, a number of chemical reactions and other processes could prove to be dangerous towards health and the environment. Accidents, force majeure, or errors in operation could result in effects on the environment, stakeholders, the Company investment plan, or Company operations, as well as the image of

PTTGC or its subsidiaries. This would have both short-term and long-term significance.

Mitigation Approach: PTTGC adheres to policies regarding public health, safety, and the environment starting with the inception of each project. All aspects of each project must be in compliance with appropriate laws, rules and regulations - including technologies used and process selection, design and installation, operation methods, adherence to a culture of safety, as well as, proactive environment and energy efficiency (eco-efficiency) promotion. These policies help ensure organizational and social sustainability. In regards to environmental management, ISO 14001 standards are maintained, inclusive of regulations regarding the preparation of environmental impact assessment reports, report review and approval, as well as environmental monitoring through the Office of Natural Resources and Environmental Policy and Planning. Representatives from the community and other related agencies make up an Environmental Advisory Committee. Established by PTTGC, this committee is responsible for participating in safety and other environmental activities within the Company's plants to ensure better understanding of various environmental risks and appropriate remedial measures. Additionally, preventative measures have been taken by PTTGC and its subsidiaries in our operations and production processes to minimize environmental risks as much as possible.

➤ FINANCIAL RISKS

(A) FX RISK

The majority of the products PTTGC Group sells and the feedstock it purchases are priced in USD-linked currencies, providing a Natural Hedge against currency fluctuations. However, there are changes in sales, revenues and feedstock costs due to exchange rate movements. The risk incurred in these changes is best depicted through the USD Product-to-Feed Margin. If the Thai Baht strengthens against the US Dollar, profits seen from operations done in Thai Baht decrease. As such, exchange rate fluctuations between the THB and USD could have a significant impact on the performance of the PTTGC Group.

In addition, the Company has enjoyed revenues and profits from investments in other ventures as well. The accounting methods used for recording these follow the standards of the Thai GAAP. As such, fluctuations of the Thai Baht against foreign currencies could have a negative impact on the Company's accounting or financial performance.

Mitigation Approach: PTTC employs the use of foreign currency risk management. This attempts to meet foreign debt service with the difference in the Company's Product-to-Feed Margin in an optimal manner. A variety of financial instruments are used to this end, including currency hedging using forwards that aim to cover expenses that exceed the Natural Hedge.

(B) INTEREST RATE RISK

Due to PTTC Group's long-term growth plans, and the fact that they could be affected by financial market volatility, PTTC may not be able to avoid interest rate risks when securing funding. This could cause PTTC or its subsidiaries to have problems raising amounts of capital or bear an extra interest cost.

Mitigation Approach: The aim here is to reduce the effects of interest rate volatility as well as rises in interest rates in the financial markets during times PTTC aims to raise capital.

1. PTTC maintains short-term credit arrangements with various financial institutions to provide a source of short-term funding if necessary.
2. PTTC makes regular reviews of its debt structure, trying to strike an appropriate balance between fixed and floating interest rate debts. This balance is determined by the capital needs of PTTC and its subsidiaries, as well as the state of interest rate trends at the time of consideration.

➤ GOVERNMENT POLICY RISK

The industry that PTTC operates in is one that is strictly regulated by government agencies. It is influenced by the changing policies of the government, both directly and indirectly. These policies can change abruptly

and without forewarning. They can be policies related to LPG gas, renewable and alternative energy, the palm oil industry as well as environmental preservation and investment promotion for certain industrial zones. Changes in these policies may have negative and significant impact on the performance of PTTC, both in the short and long-term.

Mitigation Approach: PTTC Group closely follows changes in important government policies that could have adverse effects on its operations. Cooperation is made with various related government state agencies and private enterprises, to provide any necessary information or opinions in regards to government policies and their changes. This is done for policies that are both directly and indirectly related to industries PTTC Group does business in. This provides government agencies with more accurate and complete information to help them best consider how to proceed with any further changes of related policies. The end result of this cooperation is a better mitigation of risk related to government policy changes that could otherwise have a devastating effect on Company performance.

COMPANY-SPECIFIC RISKS

➤ CONFLICT-OF-INTEREST RISK

PTT is a major shareholder, holding 48.89% of PTTC, as well as one of its major suppliers of feedstock for PTTC Group's refineries, aromatics plants, and olefins plants. It is also one of its largest customers in these fields as well. As such, there is a possibility for conflict of interest between the two entities, which may be of hindrance to the Company's interests.

Mitigation Approach: PTTC is committed to operating according to principles of Good Corporate Governance. PTTC's corporate governance practices and business code of conduct are regularly published among related stakeholders. These practices are communicated to and expected to be followed by personnel at all levels, including the Board of Directors, Executives, employees, contractors and subcontractors. This includes transactions between PTTC and its shareholders, subsidiaries, and

affiliate companies whose shareholders include members of PTTGC Group's Board or Executives. Those with conflict of interests are unable to exercise voting rights on related issues during Board or Shareholder meetings. According to the Securities and Exchange Act of 1992 and its Amendment of 2008, PTTGC is obliged as a listed company to be in full compliance with all related regulations. This goes to include the appointment of Independent Directors and Directors of the Audit Committee, whose responsibility is to protect the interest of minority shareholders and ensure fairness is given to all stakeholders equally.

➤ SUPPLIER RISK

PTTGC Group relies on PTT for a large proportion of its feedstock. As such, if PTT is unable to meet its contract obligations in this regard, the operations of PTTGC Group would be significantly impacted in a negative manner.

Mitigation Approach: PTT is the major shareholder of PTTGC as well as the largest supplier of feedstock. This supply is protected through long-term contracts. Due to the nature of the petrochemical industry where there are a number of restrictions limiting the prospecting of new customers, the chances that Company suppliers will not comply with or deviate from their contract obligations is low, even for just short periods of time. This means that supplier risks for PTTGC and its subsidiaries are relatively low. Because the procurement of crude oil for PTTGC is handled through PTT, it can be determined that the risk for violations of contract is limited.

➤ PLANT OPERATION RISKS

During the operation of plants, there is a possibility of a disruption happening from a variety of different factors, both from inside and outside the Company. These disruptions are not always foreseeable. They include human errors, accidents, and inadequacies in utilities (electricity, water, steam, etc.), supply disruptions, equipment failure, pipeline failure and

supplier plant failure. These might cause PTTGC to be denied access to the appropriate feedstock that had previously been agreed upon. The issues listed above, if they were to actualize, could have severe effects on Company performance or the performance of its subsidiaries, as well as operational plans.

Mitigation Approach: PTTGC understands the risks related to its plant operation. It has therefore set a plan in case of disruptions. The aim of the plan is to provide a response to minimize the effects of emergencies as well as any other losses, as well as to protect employees and the environment. It will also help plants return to normal operation as quickly as possible. Additionally, it includes Preventative/Predictive Maintenance provisions as a measure to mitigate risk in areas related to plant equipment. Operations manuals lay out detailed steps on how to safely operate and maintain machinery in all different fields. Ongoing training is provided to review these manuals, in an effort to reduce the number of mistakes, accidents, or machinery disruptions. PTTGC and its subsidiaries hold an All Risks Insurance Policy, Business Interruption Insurance Policy, and a Thirty Party Liability Insurance Policy. All of these policies meet international standards, and they are in place to reduce losses to PTTGC Group in case any of the above risks actualize.

PTTGC has expanded risk management for each of its Plants to cover the supply chain as well under a system of "Business Continuity Management" or BCM. This begins at production units that are crucial to the production of Olefins Plants and Polymers Plants during 2012-2013. It will be expanded to cover the supply chain for other Company business units at the appropriate time. It is believed that in the event an accident causes the interruption of feedstock processes, production, or the supply chain, the BCM will help shorten the time of disruption and/or the severity of losses should the incident were to incur.

➤ PROJECT RISKS

PTTGC's Project Risks can be divided into two different main areas. They are risks related to Construction Projects and risks related to Mergers and Acquisitions (M&A Projects).

Projects that are undergoing construction tend to be linked to the feedstock supply or commercial enterprises that are linked with the operation of production units. They could also be related to the distribution of electricity or steam between production units and public utilities. These projects, whether they are construction projects, joint-ventures, or investment projects most likely operate under a set of economic assumptions or other assumptions important to the project. The criteria that are the underlying aspects of these assumptions could possibly change before the time PTTGC or its subsidiaries decide to continue with the project. These assumptions include construction costs, product and feedstock prices, production costs, the state of related laws and regulations, the role of technology, and availability of key personnel. Therefore, the PTTGC Group might be unable to avoid risk when it comes in the form of many types and styles. The actualization of any of these risks could have an impact on projects in a variety of different ways. This could include Project Delays, Cost Overruns, and impacts on the investment value of the project. The risks related to the assumptions listed above include environmental risk, health and safety risks, project design risks, licensing risks, machinery procurement risks, construction risks, machinery operation risks, execution risks, feedstock supply risks, market risks, and logistics risks. If these risks actualize, the effects on both Company projects and Company operations would be significant, both in the short and long-term.

Mitigation Approach: PTTGC understands the prevalence of Project Risk and builds an integrated systematic risk management into each project. This is done under respective policies and the operating framework set forth by the Risk Management Committee. Project managers must follow the risk management steps, as well as point out any Project Risks that may occur. Continuous reviews of risk

management reports must be made, and adherence to operation plans must be followed. Acting in this manner will help to mitigate Project Risks, as well as increase the efficiency of emergency responses to risks that occur. Outside of this, PTTGC maintains a variety of insurance policies related to Project Risks, including construction projects. These policies are of an international standard and would act to minimize losses related to these Project Risks.

HUMAN RESOURCES RISK

PTTGC aims to expand into more value-added and value-chain downstream operations with the hope of producing environmentally friendly chemical products, High Volume Specialties (HVS) products, and other products for overseas sales. To meet this end, PTTGC needs to utilize new processes and assets. This could come in the form of technology, operation processes, production management planning, and the sales of various products. Research and development of new technologies and production processes is necessary. There is the possibility that PTTGC's personnel lack the expertise or experience to operate such new machinery in an efficient manner or to international standards. It is also possible that PTTGC is unable to bring in outside expertise in the amount that is necessary or by the timeframe set by operation plans. Current personnel might not be able to be trained in the necessary timeframe. These are all risks related to Human Resources, and could have a significantly negative impact on the operations of PTTGC and its subsidiaries, both in the short and long term.

Mitigation Approach: PTTGC is aware of these Human Resources-related risks from the beginning stage of business plan projects. Development of personnel expertise is ongoing, in hopes to be able to meet the needs of each plan or project that requires it. PTTGC has set a clear strategic direction and has designed operating plans to deal with personnel development, bringing it in line with Company operating and investment plans, both in the short and long term. To an extent, these actions are hoped to mitigate Human Resources risks as much as possible.

INTERNAL CONTROL

PTTGC recognizes the importance of internal control on an ongoing basis. Internal control helps Company operations to maintain accuracy, transparency and accountability, reducing losses from any actualized risks. The Board of Directors has tasked the Audit Committee with reviewing the Company's internal control system. It was paramount that this system was not lacking, and that it was appropriate to Company operations in 2012. The Board has therefore held a series of 12 meetings to set a variety of policies related to corporate governance and Company operations. The Audit Committee was in attendance for each meeting to review and give approval of such internal control measures.

During the Board of Directors meeting No. 2/2013 on February 15th, 2013, the Audit Committee offered up the results of an assessment of Company internal controls. It was concluded that PTTGC is conducting its internal control system in a sufficient and effective manner. The Board therefore expressed its approval with both the Company's internal control system as well as the Audit Committee. Each component of internal control is described below.

1. CONTROL ENVIRONMENT:

PTTGC's organizational structure is setup in a way to best support Company business operations in an efficient manner. PTTGC has handed out authority and responsibilities within an appropriate way, announcing policies related to good corporate governance as well as best practices, in accordance with all relevant laws. This allows Company management to operate systematically according to good corporate governance. Members of the Board of Directors, Executives, and Employees are to conduct themselves in a fair, transparent manner, and in accordance with all laws, in an effort to build maximum value for shareholders while remaining aware of the effects any actions might have on related stakeholders, as building confidence and sustainable growth is

important. Furthermore, the Board is tasked with making sure that all business goals are clear and measurable, as well as inclusive of the direction and framework governing Company operations for both the short and long-term. The Board is also responsible for reviewing Company business plans and goals, as well as offering their opinions and observations for consideration.

2. RISK ASSESSMENT:

PTTGC places importance on risk management and has a Risk Management Committee responsible for deciding policy and corporate governance over Company risk management, ensuring that it works in an appropriate and efficient way. PTTGC conducts its operations in accordance with the policies laid down by the Risk Management Committee, closely monitoring and analyzing any potential risks. These include risks that could have an effect on company earnings, goals, or project objectives. Various factors are kept in mind including the state of the current business environment and outside factors that could affect business, as well as internal factors that could have an effect on business operations as well as strategic objectives. A risk management plan has been written to prevent or reduce risks to acceptable levels. Additionally, an early warning system has been put into place, including the management of which is responsible for monitoring company operations according to the risk management plan. Their findings will be presented to the Risk Management Committee for its report to the Board of Directors on a quarterly basis.

3. CONTROL ACTIVITIES:

Overall, PTTGC has control mechanisms that are appropriate, sufficient, and effective. Policies, regulations, procedures, various powers, and budget authorities are laid out in writing for members of finance, procurement, and general management. Organizational structure provides an appropriate separation of checks and balances such as approval, financial reporting,

and the accounting of corporate assets. These internal controls are performed in a systematic way, providing a balance of various mechanisms of control (Checks and Balances).

Additionally, PTTGC employs the use of strong measures to govern transactions with Major Shareholders, Directors, Executives, or other closely related individuals. Guidelines that follow the principles of good corporate governance have been set in reporting conflict of interests. Disclosures of these conflict of interests are published in the Company's Good Corporate Governance and Business Code of Conduct Handbook. PTTGC closely monitors the operations of its subsidiaries and affiliates companies. Members of PTTGC's management have been assigned to act as Managing Directors, as well as being entrusted with Directorship roles within these subsidiaries and affiliates companies. They act as representatives on behalf of PTTGC. This allows PTTGC to have a say in the formation of policy. It also helps the Company to stay current and monitor the performance of these companies more efficiently, being able to closely track their key performance indicators.

4. INFORMATION AND COMMUNICATION:

PTTGC utilizes a system to distribute information related to Company operations. Financial reporting is done in a systematic way, according to various rules, regulations, and policies that govern internal control and Company operations. This system remains up-to-date and is easily understood. Accounting records are filed in a full and

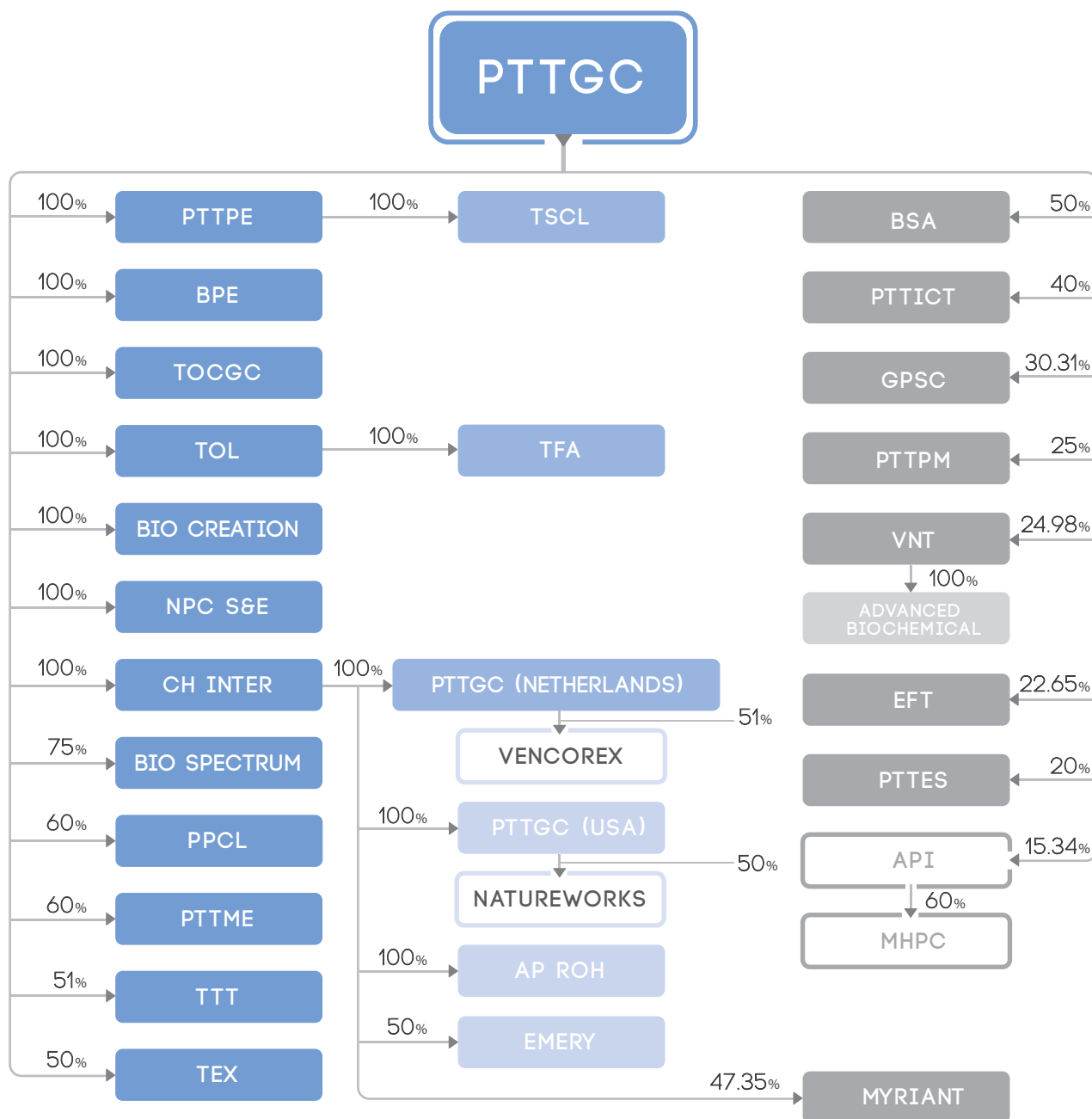
appropriate manner. Furthermore, disclosures of important information are made available to Executives and others who require it within the Company. It is done in a format that allows these users to access the information in an efficient and effective way, so that they may best be able to do their job, with the end goal of helping PTTGC meet its goals and objectives.

5. MONITORING:

PTTGC maintains adequate processes for monitoring the effectiveness of internal control measures. These help to achieve Company goals and make timely adjustments to internal control so that they may be more appropriate to the ever changing business environment. The Board of Directors is therefore able to compare results of Company operations with Company goals in each quarter. Furthermore, an internal auditing body is responsible for ensuring the adherence to internal control measures of various departments, as outlined and approved by the Audit Committee. This allows for adequate and effective assessments to be done of internal controls, as well as allowing for reports to be organized for the consideration of the Board each quarter. The Audit Committee's findings were disclosed in the 2012 Audit Committee Plan. It was found that there were no conflict of interests, fraudulent activities, or any major defects within the internal control system. Additionally, no violations of SEC rules or regulations were found, nor was the Company found to be in violation of any related laws or requirements of the Stock Exchange of Thailand.



SHAREHOLDING IN SUBSIDIARIES AND AFFILIATES



Remarks :

- 1) May 31st, 2012: The purchase of shares in Perstorp Holding France SAS was completed. PTTGC International (Netherlands) B.V. holds 51% of the shares. The company name was later changed to Vencorex Holding.
- 2) May 31st, 2012: The purchase of shares in Natureworks LLC was completed. PTTGC International (USA) holds 50% of the shares.
- 3) October 1st, 2012: The transfer of business, rights and duties from Thai Ethanolamines Company Limited (EA) to TOC Glycol Company Limited (TOCGC) was completed.
- 4) January 10th, 2013: PTT Utility Company Limited (PTTUT) and Independent Power (Thailand) Company Limited (IPT) amalgamated into Global Power Synergy Company Limited (GPSC)
- 5) BSA - The Company holds preference shares which comprise of 25% direct shares and indirect shares on behalf of PTTUT and PTTICT at 10% and 15% respectively.
- 6) EFT - The Company holds 15% direct shares, and 7.65% indirect shares on behalf of the TTT.
- 7) API holds 60% of the shares in MHPC, which equal to 9.2% of the shares holds by PTTGC.

SUBSIDIARIES

| | |
|---------------------|---|
| PTTPE | PTT Polyethylene Company Limited |
| BPE | Bangkok Polyethylene Public Company Limited |
| TSCL | Thai Styrenics Company Limited |
| TOCGC | TOC Glycol Company Limited |
| TOL | Thai Oleochemicals Company Limited |
| TFA | Thai Fatty Alcohol Company Limited |
| Bio Creation | Bio Creation Company Limited |
| NPC S&E | NPC Safety and Environmental Service Company Limited |
| CH Inter | PTT Chemical International Private Limited |
| PTTGC (Netherlands) | PTTGC International (Netherlands) B.V. |
| PTTGC (USA) | PTTGC International (USA) Inc. |
| AP ROH | PTT Chemical International (Asia Pacific ROH) Limited |
| Bio Spectrum | Bio Spectrum Company Limited |
| PPCL | PTT Phenol Company Limited |
| PTIME | PTT Maintenance and Engineering Company Limited |
| TTT | Thai Tank Terminal Limited |
| TEX | Thai Ethoxylate Company Limited |
| Vencorex | Vencorex Holding |
| Natureworks | Natureworks LLC |
| Emery | Emery Oleochemicals (M) Sdn Bhd |

AFFILIATES

| | |
|----------------------|---|
| BSA | Business Services Alliance Company Limited |
| Myriant | Myriant Corporation |
| PTTICT | PTT ICT Solutions Company Limited |
| GPSC | Global Power Synergy Company Limited |
| PTTPM | PTT Polymer Marketing Company Limited |
| Advanced Biochemical | Advanced Biochemical (Thailand) Company Limited |
| VNT | Vinythai Public Company Limited |
| EFT | Eastern Fluid Transport Company Limited |
| PTTES | PTT Energy Solutions Company Limited |

OTHERS

| | |
|------|---|
| API | Alliance Petrochemical Investment (Singapore) Private Limited |
| MHPC | Mehr Petrochemical Company Limited |

REVENUE STRUCTURE

THE REVENUE STRUCTURE FROM SALES AND SERVICES OF PTTGC AND ITS SUBSIDIARIES

| PRODUCT | FOR THE PERIOD FROM OCTOBER 19 TH , 2011 TO DECEMBER 31 ST , 2011 | | 2012 | |
|--|---|----|-----------------------|----|
| | REVENUE (MILLION THB) | % | REVENUE (MILLION THB) | % |
| 1. REFINERY AND SHARED FACILITIES | | | | |
| (1) Sales revenue from Light Naphtha | 3,548 | 3 | 17,830 | 3 |
| (2) Sales revenue from Reformate | 3,802 | 4 | 23,121 | 4 |
| (3) Sales revenue from Jet Fuel | 6,489 | 6 | 25,170 | 4 |
| (4) Sales revenue from Diesel | 25,912 | 25 | 159,404 | 28 |
| (5) Sales revenue from Fuel Oil | 7,297 | 7 | 38,262 | 7 |
| (6) Others | 2,062 | 2 | 6,472 | 1 |
| TOTAL | 49,109 | 47 | 270,259 | 48 |
| 2. AROMATICS | | | | |
| (1) Sales revenue from Benzene | 2,628 | 3 | 14,651 | 3 |
| (2) Sales revenue from Paraxylene | 9,764 | 9 | 52,636 | 9 |
| (3) Sales revenue from Cyclohexane | 951 | 1 | 7,387 | 1 |
| (4) Sales revenue from Light & Heavy Naphtha | 6,575 | 6 | 22,753 | 4 |
| (5) Sales revenue from Condensate Residue | 2,832 | 3 | 1,455 | 0 |
| (6) Others | 2,812 | 3 | 15,042 | 3 |
| TOTAL | 25,562 | 24 | 113,923 | 20 |
| 3. OLEFINS | | | | |
| (1) Sales revenue from Ethylene | 2,693 | 3 | 16,427 | 3 |
| (2) Sales revenue from Propylene | 1,999 | 2 | 10,982 | 2 |
| (3) Sales revenue from Derivatives | 820 | 1 | 5,287 | 1 |
| (4) Others | 742 | 1 | 3,864 | 1 |
| TOTAL | 6,254 | 6 | 36,560 | 6 |

| PRODUCT | FOR THE PERIOD FROM OCTOBER 19 TH , 2011 TO DECEMBER 31 ST , 2011 | | 2012 | |
|--|--|-----|--------------------------|-----|
| | REVENUE (MILLION THB) | % | REVENUE (MILLION THB) | % |
| 4. POLYMERS | | | | |
| (1) Sales revenue from Plastic Pellets | 11,105 | 11 | 60,504 | 11 |
| (2) Sales revenue from Polystyrene | 457 | - | 3,148 | 1 |
| TOTAL | 11,562 | 11 | 63,651 | 11 |
| 5. EO-BASED PERFORMANCE | | | | |
| (1) Sales revenue from EO/EG | 2,797 | 3 | 12,710 | 2 |
| (2) Sales revenue from EO Derivatives | 638 | 1 | 3,528 | 1 |
| TOTAL | 3,435 | 4 | 16,239 | 3 |
| 6. GREEN CHEMICALS | | | | |
| (1) Sales revenue from ME/FA | 2,520 | 2 | 12,636 | 2 |
| (2) Revenue from Emery | 3,029 | 3 | 16,098 | 3 |
| (3) Revenue from Natureworks | - | - | 1,349 | 0 |
| TOTAL | 5,548 | 5 | 30,083 | 5 |
| 7. HIGH-VOLUME SPECIALTIES | | | | |
| (1) Revenue from distribution of Phenol | 527 | 1 | 6,602 | 1 |
| (2) Revenue from distribution of Acetone and Derivatives | 426 | - | 3,728 | 1 |
| (3) Revenue from distribution of Bis Phenol | 1,056 | 1 | 6,086 | 1 |
| (4) Sales revenue from HDI/TDI | - | - | 10,156 | 2 |
| (5) Others | - | - | 750 | 0 |
| TOTAL | 2,009 | 2 | 27,321 | 5 |
| 8. SERVICES & OTHERS | | | | |
| (1) Revenue from distribution of Electricity / Water / Steam | 945 | 1 | 5,475 | 1 |
| (2) Others | 406 | - | 2,105 | 0 |
| TOTAL | 1,351 | 1 | 7,580 | 1 |
| NET TOTAL | 104,830 | 100 | 565,617 | 100 |

Remark : Net total after deduction from connected transaction

CONNECTED TRANSACTION

CONNECTED TRANSACTION BETWEEN RELATED COMPANIES

For the 2012 accounting period, PTTGC conducted significant business transactions with subsidiaries and related companies with common shareholders and/or Directors, as can be considered from the notes to the Company's financial statements. Connected transactions are based on market or contractual prices (the prices agreed in previous contracts) - if there are no reference market prices. Details of the relationships with these companies are as follows:

| COMPANY | RELATIONSHIP | CONNECTED TRANSACTION | FOR THE PERIOD FROM OCTOBER 19 TH 2011 TO DECEMBER 31 ST 2011* | 2012 |
|--|---|---|--|---------|
| BAHT (MILLION) | | | | |
| 1. PTT Public Company Limited (PTT) | <ul style="list-style-type: none"> - Major shareholder holding 48.89% of the shares in PTTGC - Directors who are PTT Executives: <ol style="list-style-type: none"> 1. Mr. Nuttachat Charuchinda 2. Mr. Sukrit Surabotsopon 3. Mr. Anon Sirisaengtaksin 4. Mr. Bowon Vongsinudom - Sales transaction of products and services | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | 51,838 | 264,841 |
| | | Purchases of goods or receiving of services | 60,671 | 395,808 |
| | | Other incomes | 135 | 27 |
| | | Other expenses | 891 | 199 |
| | | Financial costs | 61 | 167 |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts receivable - related parties | 17,576 | 22,347 |
| | | Other accounts receivable - related parties | 241 | 293 |
| | | Trade accounts payable - related parties | 23,152 | 31,553 |
| | | Other accounts payable - related parties | 1,207 | 585 |
| | | | | |
| 2. PTT Polymer Marketing Company Limited (PTTPM) | <ul style="list-style-type: none"> - Affiliate company (PTTGC holds 25% of the shares) - Major shareholder - PTT, holds 50% of the shares - Executives who are Directors of PTTPM: <ol style="list-style-type: none"> 1. Mrs. Sriwan Eamrungraj 2. Mr. Athavudhi Hirunburana - Sales transaction of products and services | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | 11,561 | 63,646 |
| | | Purchases of goods or services | - | 1 |
| | | Other incomes | 3 | 12 |
| | | Other expenses | - | 10 |
| | | | | |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts receivable - related parties | 5,411 | 6,462 |
| | | Other accounts receivable - related parties | 3 | 6 |
| | | Other accounts payable - related parties | - | 1 |

| COMPANY | RELATIONSHIP | CONNECTED TRANSACTION | FOR THE PERIOD FROM OCTOBER 19 TH 2011 TO DECEMBER 31 ST 2011* | 2012 |
|---|--|---|--|--------|
| BAHT (MILLION) | | | | |
| 3. Vinythai Public Company Limited (VNT) | <ul style="list-style-type: none"> - Affiliate company (PTTGC holds 24.98% of the shares) - Common Director : Mr. Anon Sirisaengtaksin - Executives who are Directors of VNT: <ol style="list-style-type: none"> 1. Mrs. Puntip Oungpasuk 2. Mr. Dhanes Charoensupaya - Sales transaction of products | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | 1,187 | 6,529 |
| | | Purchases of goods or services | 7 | 61 |
| | | Other incomes | - | 2 |
| | | Dividends | - | 299 |
| | | Statements of Financial Position Balances | | |
| 4. PTT ICT Solutions Company Limited (PTTICT) | <ul style="list-style-type: none"> - Affiliate company (PTTGC holds 40% of the shares) - Executives who are Directors of PTTICT: <ol style="list-style-type: none"> 1. Mr. Patiparn Sukornthaman 2. Mr. Varit Namwong - Services transaction | Statements of Income Transactions | | |
| | | Purchases of goods or services | 2 | 9 |
| | | Other incomes | 18 | 43 |
| | | Other expenses | 55 | 306 |
| | | Statements of Financial Position Balances | | |
| | | Other accounts receivable - related parties | 17 | 21 |
| 5. Star Petroleum Refining Company Limited (SPRC) | <ul style="list-style-type: none"> - Major shareholder - PTT, holds 36% of the shares - Common Director : Mr. Sukrit Surabotsopon - Sales transaction of products | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | 1,936 | 12,422 |
| | | Purchases of goods or services | 3,074 | 12,112 |
| | | Other incomes | 5 | - |
| | | Other expenses | 4 | 15 |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts receivable - related parties | 327 | 666 |
| | | Other accounts receivable - related parties | 8 | 7 |
| | | Trade accounts payable - related parties | 464 | 443 |
| | | Other accounts payable - related parties | 23 | 20 |

| COMPANY | RELATIONSHIP | CONNECTED TRANSACTION | FOR THE PERIOD FROM OCTOBER 19 TH 2011 TO DECEMBER 31 ST 2011* | 2012 |
|--|--|---|--|-------|
| BAHT (MILLION) | | | | |
| 6. PTTEP Siam Limited (PTTEPS) | <ul style="list-style-type: none"> - Subsidiary of PTTEP - Sales transaction of products and services | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | 12 | 71 |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts receivable - related parties | 6 | 11 |
| 7. PTT Exploration and Production Public Company Limited (PTTEP) | <ul style="list-style-type: none"> - Major shareholder - PTT, holds 65.29% of the shares - Common Director : Mr. Prajya Phinyawat - Sales transaction of products and services | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | 11 | 39 |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts receivable - related parties | 3 | 2 |
| 8. PTT Asahi Chemical Company Limited (PTTAC) | <ul style="list-style-type: none"> - Major shareholder - PTT, holds 48.50% of the shares - Common Director : Mr. Prajya Phinyawat - Sales transaction of products and services | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | 176 | 1,220 |
| | | Purchases of goods or services | - | 60 |
| | | Other incomes | - | 78 |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts receivable - related parties | 77 | 320 |
| | | Other accounts receivable - related parties | 24 | 30 |
| | | Trade accounts payable - related parties | - | 20 |
| | | Other accounts payable - related parties | 1 | 1 |

| COMPANY | RELATIONSHIP | CONNECTED TRANSACTION | FOR THE PERIOD FROM OCTOBER 19 TH 2011 TO DECEMBER 31 ST 2011* | 2012 |
|---|---|---|--|--------|
| BAHT (MILLION) | | | | |
| 9. IRPC Public Company Limited (IRPC) | <ul style="list-style-type: none"> - Major shareholder - PTT, holds 38.51% of the shares - Common Director : Mr. Prasert Bunsumpun - Sales transaction of products | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | 1,358 | 22,949 |
| | | Purchases of goods or services | 212 | 18,827 |
| | | Other incomes | 1 | 6 |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts receivable - related parties | 2,147 | 1,458 |
| 10. HMC Polymers Company Limited (HMC) | <ul style="list-style-type: none"> - Major shareholder - PTT, holds 41.44% of the shares - Shareholder of PTGTC with 1.85% of the shares - Executive who is Director of HMC: Mr. Narong Bunditkamol - Sales transaction of products and services | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | 1,264 | 6,192 |
| | | Purchases of goods or services | 61 | 210 |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts receivable - related parties | 550 | 803 |
| | | Other accounts receivable - related parties | 12 | 5 |
| 11. Bangchak Petroleum Public Company Limited (BCP) | <ul style="list-style-type: none"> - Major shareholder - PTT, holds 27.22% of the shares - Common Director : Mr. Nuttachat Charuchinda - Sales transaction of products | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | - | 42 |
| | | Purchases of goods or services | - | 32 |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts payable - related parties | 1 | - |

| COMPANY | RELATIONSHIP | CONNECTED TRANSACTION | FOR THE PERIOD FROM OCTOBER 19 TH 2011 TO DECEMBER 31 ST 2011* | 2012 |
|--|---|---|--|-------|
| BAHT (MILLION) | | | | |
| 12. PTT International Trading Private Limited (PTTI) | <ul style="list-style-type: none"> - Major shareholder - PTT, holds 100% of the shares - Sales transaction of products | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | 129 | 2,621 |
| | | Purchases of goods or services | 224 | 1,059 |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts receivable - related parties | - | 1,284 |
| 13. Dhipaya Insurance Public Company Limited (DHIPAYA) | <ul style="list-style-type: none"> - Major shareholder - PTT, holds 13.33% of the shares - Services transaction | Statements of Income Transactions | | |
| | | Purchases of goods or services | 42 | 473 |
| | | Other incomes | - | 346 |
| | | Other expenses | 31 | 63 |
| | | Statements of Financial Position Balances | | |
| | | Other accounts receivable - related parties | 257 | 702 |
| | | Other accounts payable - related parties | 77 | 85 |
| 14. Energy Complex Company Limited (ENCO) | <ul style="list-style-type: none"> - Major shareholder - PTT, holds 50% of the shares - Services transaction | Statements of Income Transactions | | |
| | | Purchases of goods or services | 1 | 4 |
| | | Other expenses | 37 | 145 |
| | | Statements of Financial Position Balances | | |
| | | Other accounts receivable - related parties | 1 | 1 |
| | | Other accounts payable - related parties | 4 | 3 |

| COMPANY | RELATIONSHIP | CONNECTED TRANSACTION | FOR THE PERIOD FROM OCTOBER 19 TH 2011 TO DECEMBER 31 ST 2011* | 2012 |
|--|---|---|---|-----------------------------------|
| BAHT (MILLION) | | | | |
| 15. Thai Oil Public Company Limited (TOP) | <ul style="list-style-type: none">- Major shareholder<ul style="list-style-type: none">- PTT, holds 49.10% of the shares- Common Director : Mr. Nuttachat Charuchinda- Sales transaction of products and services | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | 2,552 | 1,912 |
| | | Purchases of goods or services | 1,183 | 3,322 |
| | | Other incomes | - | 8 |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts receivable - related parties | 45 | 33 |
| | | Other accounts receivable - related parties | - | 2 |
| 16. Business Services Alliance Company Limited (BSA) | <ul style="list-style-type: none">- Affiliate Company<ul style="list-style-type: none">- (PTTGC, holds 25% of the preference shares)- Services transaction | Statements of Income Transactions | | |
| | | Purchases of goods or services | 56 | 202 |
| | | Other expenses | 8 | 56 |
| | | Statements of Financial Position Balances | | |
| | | Other accounts receivable - related parties | - | 13 |
| | | Other accounts payable - related parties | 34 | 38 |
| | | 17. PTT Polymers Logistic Company Limited (PTTPL) | <ul style="list-style-type: none">- Major shareholder<ul style="list-style-type: none">- PTT, holds 100% of the shares- Services transaction | Statements of Income Transactions |
| Sales of goods or rendering of services | 8 | | | 48 |
| Purchases of goods or services | 94 | | | 872 |
| Other expenses | 50 | | | 191 |
| Statements of Financial Position Balances | | | | |
| Trade accounts receivable - related parties | 5 | | | 7 |
| Other accounts receivable - related parties | 1 | | | 2 |
| Other accounts payable - related parties | 134 | 225 | | |

| COMPANY | RELATIONSHIP | CONNECTED TRANSACTION | FOR THE PERIOD FROM OCTOBER 19 TH 2011 TO DECEMBER 31 ST 2011* | 2012 |
|---|---|---|--|------|
| BAHT (MILLION) | | | | |
| 18. Eastern Fluid Transport Company Limited (EFT) | <ul style="list-style-type: none"> - Affiliate company (PTTGC holds 22.65% of the shares) - Executive who is Director of EFT: Mr. Varit Namwong - Services transaction | Statements of Income Transactions | | |
| | | Purchases of goods or services | 2 | 27 |
| | | Statements of Financial Position Balances | | |
| | | Other accounts receivable - related parties | 4 | 2 |
| | | Other accounts payable - related parties | 9 | - |
| 19. PTT Energy Solutions Company Limited (PTTES) | <ul style="list-style-type: none"> - Affiliate company (PTTGC holds 20% of the shares) - Executive who is Director of PTTES: Mr. Kun Patumraj - Services transaction | Statements of Income Transactions | | |
| | | Purchases of goods or services | 7 | 83 |
| | | Other incomes | 1 | 12 |
| | | Other expenses | - | 4 |
| | | Statements of Financial Position Balances | | |
| 20. PTT Maintenance and Engineering Company Limited (PTTME) | <ul style="list-style-type: none"> - Subsidiary company (PTTGC holds 60% of the shares) - Major shareholder - PTT, holds 40% of the shares - Common Director : Mr. Bowon Vongsinudom - Executive who is Director of PTTME: Mr. Kun Patumraj - Services transaction | Statements of Income Transactions | | |
| | | Purchases of goods or services | 128 | 313 |
| | | Other incomes | 51 | 190 |
| | | Other expenses | 6 | - |
| | | Dividends | - | 43 |
| | | Statements of Financial Position Balances | | |
| | | Other accounts receivable - related parties | 131 | 58 |
| | | Other accounts payable - related parties | 96 | 72 |
| | | Payables to contractors - related parties | 66 | 375 |

| COMPANY | RELATIONSHIP | CONNECTED TRANSACTION | FOR THE PERIOD FROM OCTOBER 19 TH 2011 TO DECEMBER 31 ST 2011* | 2012 |
|---|---|---|--|--------|
| BAHT (MILLION) | | | | |
| 21. Global Power Synergy Company Limited (GPSC) (formerly : PTT Utility Company Limited) | <ul style="list-style-type: none"> - Affiliate company (PTTGC holds 30.31% of the shares) - Major shareholder - PTT, holds 30.10% of the shares - Common Director : Mr. Bowon Vongsinudom - Executives who are Directors of GPSC: 1. Mrs. Sriwan Eamrungrroj 2. Mr. Narong Bunditkamol - Sales transaction of products and services | Statements of Income Transactions | | |
| | | Purchases of goods or services | 300 | 1,688 |
| | | Other incomes | 4 | 15 |
| | | Statements of Financial Position Balances | | |
| | | Other accounts receivable - related parties | 5 | 6 |
| 22. PTT Phenol Company Limited (PPCL) | <ul style="list-style-type: none"> - Subsidiary company (PTTGC holds 60% of the shares) - Major shareholder - PTT, holds 40% of the shares - Common Director : Mr. Anon Sirisaengtaksin - Executives who are Directors of PPCL: 1. Mr. Dhanes Charoensupaya 2. Mrs. Puntip Oungpasuk 3. Mr. Patiparn Sukorndhaman 4. Mrs. Sriwan Eamrungrroj 5. Mr. Suvit Tinnachote 6. Mr. Narong Bunditkamol - Sales transaction of products and services | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | 1,231 | 11,409 |
| | | Other incomes | 2 | 18 |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts receivable - related parties | 258 | 2,448 |
| 23. PTT Tank Terminal Company Limited (PTT TANK) | <ul style="list-style-type: none"> - Major shareholder - PTT, holds 100% of the shares - Services transaction | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | - | 5 |
| | | Other incomes | - | 4 |
| | | Statements of Financial Position Balances | | |
| | | Trade accounts receivable - related parties | - | 2 |
| | | Other accounts receivable - related parties | 1 | 1 |

| COMPANY | RELATIONSHIP | CONNECTED TRANSACTION | FOR THE PERIOD FROM OCTOBER 19 TH 2011 TO DECEMBER 31 ST 2011* | 2012 |
|---|---|---|--|------|
| BAHT (MILLION) | | | | |
| 24. Myriant Corporation (Myriant) | <ul style="list-style-type: none"> - Affiliate of CH Inter, which holds 47.35% of the shares - Executive who is Director of Myriant : Mr. Dhanes Charoensupaya - Loan transactions | Statements of Income Transactions | | |
| | | Other incomes | - | 282 |
| | | Interest incomes | - | 102 |
| | | Statements of Financial Position Balances | | |
| | | Other accounts receivable - related parties | - | 14 |
| 25. Thai Petroleum Pipeline Company Limited (THAPPLINE) | <ul style="list-style-type: none"> - Major shareholder - PTT, holds 33.19% of the shares - Services transaction | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | - | 2 |
| 26. PTT LNG Company Limited (PTTLNG) | <ul style="list-style-type: none"> - Major shareholder - PTT, holds 100% of the shares - Services transaction | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | - | 1 |
| 27. PTTEP International Limited (PTTEPI) | <ul style="list-style-type: none"> - Subsidiary of PTTEP - Services transaction | Statements of Income Transactions | | |
| | | Sales of goods or rendering of services | - | 2 |

* Certain accounts in the 2011, financial statements have been reclassified to conform to the presentation in the 2012 financial statements.

NEED AND JUSTIFICATION OF CONNECTED TRANSACTION

The sales of products by PTTGC to connected companies have been carried out mainly so that they may process its products into their own products for sale at prices corresponding to long-term off-take agreements or spot prices. Prices must prove mutually beneficial and based on market prices without any undue transfer of interests or extraordinary items to both parties. When providing services to connected companies, transactions must cover transportation or storage costs of products. The charges for services are both market-based and benefit-based without any undue transfer of interests or extraordinary items.

For the product and feedstock supply and/or services as well as the volume of products, feedstock or services given by connected companies must meet the needs and business operation of the Company. Prices of products trading or services are as agreed by PTTGC and connected companies without any undue transfer of interests or extraordinary items. In addition, PTTGC is required to purchase feedstock from connected companies because the capacity and quality of such feedstock meet its needs. The Company also saves on transportation expenses since the feedstock can be transferred safely by the Company's pipeline systems from their plants in Map Ta Phut Industrial Estate, Rayong.

MEASURE AND PROCEDURE FOR APPROVAL OF CONNECTED TRANSACTION

The Company's Articles of Association stated that a Director can acquire or dispose of company assets or perform any business transaction involving PTTGC either by himself or herself or on behalf of others only with the approval from the Board of Director. Any Director who personally gains from any acquisition or disposal of company asset or any transaction of the Company is not allowed to vote on that matter. After receiving

approval from the Board of Directors, PTTGC can perform any business transaction or acquire or dispose of major assets in line with the announcement of the Stock Exchange of Thailand (SET). This also applies to the Company's subsidiaries in the SET announcement concerning connected transaction of listed companies as well as the buying and selling of registered company assets.

OPINION OF INDEPENDENT DIRECTORS

The Independent Directors agreed with the Board of Directors.

POLICY AND TREND ON FUTURE CONNECTED TRANSACTION

Future connected transactions between the Company and connected companies will be conducted as part of the normal course of business with no special favors and no transfer of benefits. For the pricing policy between PTTGC and connected companies, the price of products or feedstock purchased will be set in agreement and or linked to market prices. In addition, service charges paid to connected companies will also be at arm's length. The price of product sold or purchased between PTTGC and connected companies will, as a rule, be linked to Map Ta Phut Market prices. Disclosure of the Company's connected transaction is to comply with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The audit standards for connected parties will be as specified by the Federation of Accounting Professions and Office of the Auditor General.

SHAREHOLDING STRUCTURE

List of Top Ten Major Shareholders (register book closing date on October 31st, 2012)

| NO. | SHAREHOLDERS | SHARES | (%) |
|-----|--|---------------|-------|
| 1. | PTT Public Company Limited | 2,204,318,913 | 48.89 |
| 2. | Thai NVDR Company Limited | 266,348,576 | 5.91 |
| 3. | HSBC (SINGAPORE) NOMINEES PTE LTD | 109,737,967 | 2.43 |
| 4. | HMC Polymers Company Limited | 83,427,636 | 1.85 |
| 5. | The Siam Cement Public Company Limited | 82,164,775 | 1.82 |
| 6. | THE BANK OF NEW YORK MELLON-CGT TAXABLE | 79,095,518 | 1.75 |
| 7. | STATE STREET BANK EUROPE LIMITED | 78,008,642 | 1.73 |
| 8. | CHASE NOMINEES LIMITED 42 | 73,607,306 | 1.63 |
| 9. | Bangkok Synthetics Company Limited | 43,420,625 | 0.96 |
| 10. | NORTRUST NOMINEES LIMITED-NTD SEC LENDING THAILAND | 38,581,522 | 0.86 |

- Remarks:
- (1) PTT Group Shareholders includes
 1. PTT Public Company Limited
 2. HMC Polymers Company Limited (PTT Plc. holds 41.44% of the shares)
 - (2) Shareholders of Thai NVDR Company Limited holding Non-Voting Depository Receipt: NVDR, are ineligible for voting at shareholder's meeting except when exercising their voting rights on delisting the shares from SET.
 - (3) The Siam Cement Group Shareholders includes
 1. The Siam Cement Public Company Limited
Number of Shares holding in PTGTC: 82,164,775 shares
 2. Bangkok Synthetics Company Limited (SCC Plc. holds 26% of the shares)
Number of Shares holding in PTGTC: 43,420,625 shares
 3. Thai Plastic and Chemicals Public Company Limited (SCC Plc. and its subsidiaries hold 90.33% of the shares)
Number of Shares holding in PTGTC: 8,541,081 shares
 - (4) In practice the major shareholders with significant influence on the establishment of PTGTC's policy and strategy is PTT Group Shareholders, which in total holds 49.66% in PTGTC.
 - (5) Foreign Shareholders
As of October 31st, 2012; there are 321 foreign shareholders, holding a combined of 913,582,161 shares (20.26% of paid-up capital)
 - (6) According to the Company's Articles of Association No. 8 - "The Company's shares can be transferred without any restriction, except in the case where the said transfer would result in more than thirty-seven (37) percent of the Company's total shares sold being held by foreigners."

DIVIDEND PAYMENT POLICY

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED

The Board of Directors Meeting No. 1/2011, held on October 19th, 2011, resolved that the dividend policy of the Company is to pay dividend at a rate of no less than 30% of net profit after tax and allocation to all reserve funds of the Company. Such dividend payment however is subject to the investment plan, other necessary and appropriate considerations in the future.

SUBSIDIARIES' DIVIDEND POLICY

The dividend policy for PTTGC's 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.



BOARD OF DIRECTORS



MR. PRASERT BUNSUMPUN

Chairman

Age 60

Education / Training

- B.Eng. (Civil Engineering), Chulalongkorn University
- MBA, Utah State University, U.S.A.
- Honorary Doctoral in Engineering, Chulalongkorn University
- Honorary Doctoral in Management, National Institute of Development Administration (NIDA)
- Honorary Doctoral in Management Science, Phetchaburi Rajabhat University
- Honorary Doctoral of Management, Mahasarakham University
- Honorary Doctoral of Arts (Innovation and Management) Faculty of Humanities and Social Sciences, Suan Sunandha Rajabhat University
- Diploma, National Defence Course for the Joint State-Private Sector, Class 10, the National Defence College
- Certificate in Advance Management Program (class 155), Harvard Business School, U.S.A.
- Advanced Certificate Course in Politics and Governance in Democratic System for Executives, Class 6, King Prajadhipok's Institute
- Capital Market Academy Leadership Program, Class 3, Capital Market Academy

Director Training

- Director Accreditation Program (DAP) Class 26/2004 and Role of the Chairman Program (RCP) Class 28/2012, Thai Institute of Directors Association (IOD)

Present Positions

- Chairman, PTT Global Chemical Public Company Limited
- Chairman and Chairman of the Executive Board of Directors, IIRPC Public Company Limited
- Chairman and Chairman of the Executive Board of Directors, Thoresen Thai Agencies Public Company Limited

- Chairman and Chairman of the Executive Board of Directors, Mermaid Maritime Public Company Limited
- Director, Krung Thai Bank Public Company Limited
- Director, Shin Corporation Public Company Limited
- Chairman, Thailand Business Council for Sustainable Development (TBCSD)
- Distinguished Member of Chulalongkorn University Council

Work Experiences

- | | |
|-----------------------|---|
| 2003 - 2011 | President and Chief Executive Officer, Director and Secretary to the Board of Directors, PTT Public Company Limited |
| Oct. 2008 - Mar. 2011 | Chairman, PTT Exploration and Production Public Company Limited |
| 2000 - 2011 | Director, PTT Exploration and Production Public Company Limited |
| 2007 - 2011 | Director, PTT Aromatics and Refining Public Company Limited |
| Feb. - Jun. 2010 | Chairman, PTT Chemical Public Company Limited |
| 2005 - 2010 | Vice Chairman, PTT Chemical Public Company Limited |
| 2010 - 2011 | Director, PTT Chemical Public Company Limited |
| 2008 - 2010 | Director, Siam City Bank Public Company Limited |
| 2004 - 2010 | Director, Thai Oil Public Company Limited |
| 2005 - 2012 | Chairman, Thai Lube Base Public Company Limited |
| 2006 - 2008 | Member of the National Legislative Assembly, Thailand |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



POLICE GENERAL SEREEPISUT TAMEEYAVES

Independent Director
Chairman of the Corporate
Governance Committee

Age 64

(Resigned on January 11th, 2013)

Education / Training

- Armed Forces Academic Preparatory School, Class 8
- The Royal Police Cadet Academy, Class 24
- Institute of Police Administration, Class 8
- Top Management Program Course 1 (Class 10) and Course 2 (Class 15), Civil Service Training Institute
- National Defence Course, Class 38, National Defence College
- Master Degree of Arts (Honorary Degree), Political Science, Ramkhamhaeng University
- Doctorate (Honorary Degree), Political Science, Ramkhamhaeng University
- Doctorate (Honorary Degree), Public Administration, Ubon Ratchathani University
- Capital Market Academy Leadership Program, Class 9, Capital Market Academy

Director Training

- Director Accreditation Program (DAP) Class 60/2006, Role of the Compensation Committee (RCC) Class 9/2009 and Role of the Chairman Program (RCP) Class 27/2012, Thai Institute of Directors Association (IOD)

Present Position

- Retired Police Officer

Work Experiences

| | |
|-------------|---|
| 2009 - 2011 | Independent Director / Nomination and Remuneration Committee and Audit Committee, PTT Aromatics and Refining Public Company Limited |
| 2007 - 2008 | National Police Commander, Royal Thai Police |
| 2007 | Member of Council of National Security, Royal Thai Police |
| 2007 | Acting National Police Commander, Royal Thai Police |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



MR. SOMCHAI KUVIJITSUWAN

Independent Director
Chairman of the Audit Committee

Age 61

Education / Training

- LL.B., Ramkhamhaeng University Class 1
- Barrister at Law, Class 27, Institute of Thai Bar Association
- Master of Political Science, National Institute of Development Administration
- Provincial Public Prosecutor Program, Class 9/1987
- Capital Market Academy Leadership Program, Class 9, Capital Market Academy

Director Training

- Director Certification Program (DCP) Class 76/2006, Director Accreditation Program (DAP) Class 56/2006, Understanding the Fundamental of Financial Statement (UFS) Class 3/2006 and Role of the Chairman Program (RCP) Class 28/2012, Thai Institute of Directors Association (IOD)

Present Positions

- Director-General, Department of Public Prosecutor Commission, Office of the Attorney General
- Independent Director / Chairman of the Audit Committee, PTT Global Chemical Public Company Limited
- Commissioner / Chairman of the Audit Committee and Chairman of the Board of Appeals Office of the Securities and Exchange Commission, Thailand
- Director / Chairman of Corporate Governance and Social Responsibility Committee / Chairman of Risk Management and Internal Control Committee, Provincial Electricity Authority
- Chairman, Krungthai Laws Company Limited

Work Experiences

| | |
|-------------|---|
| 2008 - 2011 | Independent Director, Chairman / Director of the Corporate Governance Committee and Director of the Remuneration Committee, PTT Chemical Public Company Limited |
| 2008 - 2011 | Director-General, Office of Regional Appellate Litigation, Region 9 |
| 2008 - 2011 | Director-General, Department of Policy, Strategy and Budget Planning |
| 2009 - 2011 | Managing Director, Forest Industry Organization |
| 2008 - 2011 | Director, Metropolitan Electricity Authority |
| 2006 - 2008 | Director and Audit Committee, Small and Medium Enterprise Development Bank of Thailand (SME Bank) |
| 2005 - 2008 | Deputy Director, Department of Intellectual Property and International Trade Litigation |
| 2005 - 2008 | Deputy Director General, Department of Southern Bangkok Criminal Litigation |
| 2005 - 2008 | Deputy Director General, Department of Prosecutor Commission |
| 2005 - 2007 | Director and Audit Committee, Neighbouring Countries Economic Development Cooperation Agency |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



MR. PRAJYA PHINYAWAT

Director

Age 61

Education / Training

- B.E. (Civil Engineering), Chulalongkorn University
- M.S. (Civil Engineering), Stanford University, U.S.A.
- Ph.D. (Civil Engineering), University of Texas at Austin, U.S.A.
- Diploma, National Defence Course for the Joint State-Private Sector, Class 15, the National Defence College
- Certificate of Leadership Program, Class 7, Capital Market Academy
- Certificate of Energy Literacy for a Sustainable Future Program, Class 1/2012, Thailand Energy Academy

Director Training

- Director Certification Program (DCP) Class 14/2002, Thai Institute of Directors Association (IOD)

Present Positions

- Chairman, PTT Asahi Chemical Company Limited
- Director, PTT Global Chemical Public Company Limited
- Director, PTT Exploration and Production Public Company Limited
- Vice Chairman, Bangkok Polyethylene Public Company Limited
- Director, Thai Lube Base Public Company Limited

Work Experiences

- | | |
|-------------|---|
| 2008 - 2011 | Chief Operating Officer, Downstream Petroleum Business Group and Senior Executive Vice President, Oil Business Unit, PTT Public Company Limited |
| 2004 - 2007 | Senior Executive Vice President, Petrochemicals & Refining Business Group, PTT Public Company Limited |
| 2007 - 2011 | Director, PTT Aromatics and Refining Public Company Limited |
| 2006 - 2011 | Director, IRPC Public Company Limited |
| 2005 - 2011 | Director, PTT Chemical Public Company Limited |
| 2004 - 2011 | Director, Thai Oil Public Company Limited |
| 2012 | Chairman, PTT Polyethylene Company Limited |
| 2012 | Director, Thai Paraxylene Company Limited |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



MR. VASIN TEERAVECHYAN

Independent Director

Chairman of the Nomination and Remuneration Committee

Age 64

Education / Training

- B.A. (Law), Chulalongkorn University
- M.A. (Law), Chulalongkorn University
- Barrister at Law, Thailand, 1972
- The National Defence College of Thailand, Class 40

Director Training

- Director Accreditation Program (DAP) Class 94/2012 and Director Certification Program (DCP) Class 155/2012, Thai Institute of Directors Association (IOD)

Present Positions

- Legal and Boundary Advisor, Ministry of Foreign Affairs
- Independent Director / Chairman of the Nomination and Remuneration Committee, PTT Global Chemical Public Company Limited
- Director, Bank for Agriculture and Agricultural Co-Operatives
- Chairman (Thailand), Thai - Malaysia Land Boundary Committee
- Vice Chairman, Thai - Korean Friendship Association
- Member of the Special Committee for the Consideration of Treaties, Ministry of Foreign Affairs
- Vice-Chairman (Thailand), Thai - Cambodia Joint Technical Committee (Delimitation of Sea Boundary)
- Chairman (Thailand), Senior Officials' Meeting on Thai - Laos Boundary
- Chairman (Thailand), Thai - Myanmar Joint Committee on Demarcation for Land Boundary
- Advisor, Mittr Phol Sugar Corp. Ltd.

Work Experiences

- | | |
|-------------|--|
| 2009 - 2011 | Special Lecturer on Public and Private International Law, Mae Fah Luang University, Chiang Rai |
| 2008 - 2010 | Chairman (Thailand), Thai - Cambodian Joint Commission on Demarcation for Land Boundary |
| 2008 - 2009 | Thai Eminent Person, ASEAN - Korea Eminent Persons Group |
| 2008 - 2009 | Chairman, ASEAN's High Level Legal Experts Group on Follow - Up to the ASEAN Charter |
| 2005 - 2008 | Ambassador to the Republic of Korea |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



MRS. RAWEPORN KUHIRUN

Independent Director
Director to the Audit Committee
Age 68

Education / Training

- Bachelor of Accountancy, Chulalongkorn University
- Bachelor of Laws, Ramkhamhaeng University
- Master of Business Administration - MBA (Accounting), Central Michigan University, U.S.A.
- National Defence Course, Class 38, National Defence College
- The Program for Senior Executives on Justice Administration, Batch 14, National Justice Academy, Office of the Judiciary
- Top Executive Program in Commerce and Trade (TEPCoT 4)
- Capital Market Academy Leadership Program, Class 7, Capital Market Academy
- The International Auditor's Fellowship Program, Government Accountability Office (U.S. GAO), U.S.A.
- Audit of Computer Systems, Kingston Polytechnic, England
- Internal Audit and Computer Audit, National Audit Office (NAO), England
- Procurement Audit, Board of Audit and Inspection, Republic of Korea

Director Training

- Director Accreditation Program (DAP) Class 94/2012 / Director Certification Program (DCP) Class 155/2012 and Audit Committee Program (ACP) Class 38/2012, Thai Institute of Directors Association (IOD)

Present Positions

- Independent Director / Director to the Audit Committee, PTT Global Chemical Public Company Limited
- Advisor to the Audit Committee, Thai Airways International Public Company Limited
- Committee on Overseeing the NBTC's Operation, National Broadcasting and Telecommunication Commission (NBTC)

Work Experiences

- 2008 - 2010 Expert Member, Board of Special Case, Department of Special Investigation (D.S.I.)
- 2000 - 2006 State Audit Commissioner, State Audit Commission

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



POLICE GENERAL SOMBAT AMORNVIVAT

Independent Director
Director to the Corporate Governance Committee*
Age 66

Education / Training

- The Royal Police Cadet Academy
- Master Degree in Public Administration (Honor Degree) National Institute of Development Administration
- The Federal Bureau of Investigation (FBI)
- National Defence Course, Class 34, National Defence College

Director Training

- Director Certification Program (DCP) Class 107/2008 and Director Accreditation Program (DAP) Class 73/2008, Thai Institute of Directors Association (IOD)

Present Positions

- Independent Director / Director to the Corporate Governance Committee, PTT Global Chemical Public Company Limited
- Retired Police Officer

Work Experiences

- 2010 - 2011 Advisor to the Chairman of the Board of Directors, CAT Telecom Public Company Limited
- 2008 - 2009 Advisor to the Minister of Foreign Affairs
- 2008 Advisor to the Minister of Justice
- 2008 Director, Airports of Thailand Public Company Limited

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None

*Appointed as Chairman of the Corporate Governance Committee on February 15th, 2013



AIR CHIEF MARSHAL SOMCHAI THEAN-ANANT

Independent Director
Director to the Nomination and Remuneration Committee

Age 61

Education / Training

- Bachelor of Electrical Engineering, Royal Air Force Academy
- Master of Electricity Engineering, Aerospace Systems, Cranfield Institute of Technology, U.K.
- National Defence College (Class 46)
- Airport Management, Kasetsart University
- Air War College (Class 30)
- Air Command and Staff College (Class 32)
- Top Executive Programme (Class 5), Capital Market Academy (CMA), Stock Exchange of Thailand
- Corporate Governance for Directors and Senior Executive of State Enterprises and Public Organizations, Class 3-2009, King Prajadhipok's Institute

Director Training

- Director Accreditation Program (DAP) Class 47/2005, Role of the Nomination and Governance Committee (RNG) Class 2/2012, Role of the Compensation Committee (RCC) Class 14/2012, Director Certification Program (DCP) Class 155/2012 and Role of the Chairman Program (RCP) Class 30/2013, Thai Institute of Directors Association (IOD)

Present Positions

- Court Martial Judge
- Independent Director / Director to the Nomination and Remuneration Committee, PTT Global Chemical Public Company Limited
- Chairman, PEA ENCOM International Company Limited

Work Experiences

- | | |
|-------------|--|
| 2008 - 2011 | President of Aeronautical Radio of Thailand Limited |
| 2005 - 2006 | Director, Telephone Organization of Thailand (TOT) Public Company Limited |
| 2007 - 2008 | Executive Expert, Royal Thai Air Force (a position for an officer of the rank of Air Chief Marshal) |
| 2006 - 2007 | Chief of Staff attached to the Commander-in-Chief, Royal Thai Air Force (a position for an officer of the rank of Air Marshal) |
| 2005 - 2006 | The Commander of the Science and Weapon System Development Centre, Royal Thai Air Force (a position for an officer of the rank of Air Marshal) |
| 2009 - 2011 | Vice Chairman of Volleyball Association |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



MR. AMNUAY PREEMONWONG

Independent Director
Director to the Audit Committee

Age 54

Education / Training

- B.A. in Economics, Ramkhamhaeng University
- L.L.B., Sukhothai Thammathirat Open University
- M.P.A., National Institute of Development Administration
- Advanced Executive Program, Kellogg School of Management, Northwestern University, U.S.A.
- National Defence College, Class 51

Director Training

- Director Certification Program (DCP) Class 80/2006, Financial Statement for Directors (FSD) Class 11/2011 and Audit Committee Program (ACP) Class 38/2012, Thai Institute of Directors Association (IOD)

Present Positions

- Inspector General, Ministry of Finance
- Independent Director / Director to the Audit Committee, PTT Global Chemical Public Company Limited
- Committee Member, Government Savings Bank
- Director, State Railway of Thailand
- Committee Member, Nusasiri Public Company Limited

Work Experiences

- | | |
|-------------|--|
| 2004 - 2006 | Director, Bureau of Bangkok State Property Management, Treasury Department |
| 2006 - 2008 | Deputy Director General, Treasury Department |
| 2008 - 2009 | State Property Development Advisor, Treasury Department |
| 2012 | Chairman, Thailand Tobacco Monopoly |
| 2009 - 2012 | Chairman, CAT Telecom Public Company Limited |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



MR. SUTHEP LIUMSIRIJARERN

Independent Director
Director to the Risk Management
Committee

Age 58

Education / Training

- B.Sc., Chiang Mai University
- Post-Graduate Diploma, Hydraulic Engineering, International Institute of Hydraulic Engineering, Delft, the Netherlands
- Energy Executive Program (Class 1), Ministry of Energy
- Joint Staff Program (Class 43), National Defence Studies Institute, Supreme Command Headquarters
- Civil Service Executive Program 1 (Class 44), Civil Service Training Institute (CSTI), Office of the Civil Service Commission (OCSC)
- National Defence Course, Class 51, National Defence College

Director Training

- Director Accreditation Program (DAP) Class 96/2012 and Audit Committee Program (ACP) Class 39/2012, Thai Institute of Directors Association (IOD)

Present Positions

- Director-General, Energy Policy and Planning Office, Ministry of Energy
- Independent Director / Director to the Risk Management Committee, PTT Global Chemical Public Company Limited

Work Experiences

- | | |
|-------------|---|
| 2009 - 2011 | Deputy Director-General, The Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy |
| 2007 - 2009 | Director, Bureau of Alternative Energy Development, DEDE, Ministry of Energy |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



MR. KRIENKRAI THIENNUKUL

Independent Director
Director to the Corporate Governance Committee

Age 53

Education / Training

- B.A., Economics, Thammasat University
- The Executive Management Seminar 2002 for Paper and Packaging Business, the Wharton School, University of Pennsylvania
- Diploma, National Defence Course for the Joint State-Private Sector, Class 22, the National Defence College
- Capital Market Academy Leadership Program, Class 2, Capital Market Academy

Director Training

- Director Certification Program (DCP) Class 110/2008 and Audit Committee Program (ACP) Class 25/2009, Thai Institute of Directors Association (IOD)

Present Positions

- Vice Chairman, The Federation of Thai Industries
- Independent Director / Director to the Corporate Governance Committee, PTT Global Chemical Public Company Limited
- Director, Sansiri Public Company Limited
- Chief Executive Officer, New Waitek Company Limited
- Executive Director, Prestige Direct Marketing Company Limited
- Executive Director, Prestige Gift and Premium Company Limited
- Executive Director, Media Shaker Company Limited
- Executive Director, Bangkok Binding Company Limited

Work Experiences

- | | |
|-------------|--|
| 2010 - 2012 | Deputy Secretary General, The Federation of Thai Industries |
| 2008 - 2010 | Member of the Board, Thailand Institute of Scientific and Technological Research (TISTR) |
| 2006 - 2010 | Chairman, the Thai Printing and Paper Packaging Industry Club, The Federation of Thai Industries |
| 2006 - 2009 | Director, Metropolitan Electricity Authority |
| 2006 - 2008 | Member of the Board, Office of Small and Medium Enterprise Promotion |
| 2005 - 2008 | Member of the Board, The Federation of Thai Industries |
| 2005 - 2008 | Chairman, The Federation of Thai Printing Industry Foundation |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



MR. NUTTACHAT CHARUCHINDA

Director
Director to the Nomination
and Remuneration Committee
Age 57

Education / Training

- B.Eng. (Civil Engineering), Chiang Mai University
- MBA, Thammasat University
- Diploma, National Defence Course for the Joint State-Private Sector, Class 20, National Defence College
- Program for Global Leadership (PGL), Harvard Business School, U.S.A.
- Oxford Energy Seminar, England
- Break Through Program for Senior Executives (BPSE), IMD, Switzerland

Director Training

- Director Certification Program (DCP) Class 129/2010, Thai Institute of Directors Association (IOD)

Present Positions

- Chief Operation Officer, Downstream Petroleum Business Group, PTT Public Company Limited
- Director / Director to the Nomination and Remuneration Committee, PTT Global Chemical Public Company Limited
- Director, Thai Oil Public Company Limited
- Director, Bangchak Petroleum Public Company Limited

Work Experiences

- | | |
|------------------|---|
| Jan. - Sep. 2011 | Senior Executive Vice President, Corporate Strategy, PTT Public Company Limited |
| 2009 | Executive Vice President, International Trading Business Unit, PTT Public Company Limited |
| 2005 - 2009 | Executive Vice President, Natural Gas Vehicle, PTT Public Company Limited |
| Apr. - Oct. 2011 | Director / Nomination and Remuneration Committee, PTT Aromatics and Refining Public Company Limited |
| 2012 | Director, Bangkok Aviation Fuel Services Public Company Limited |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



MR. SUKRIT SURABOTSOPON

Director
Chairman of the Risk Management
Committee
Age 54

Education / Training

- B.Eng. Chemical Engineering, Chulalongkorn University (2nd Class Honor)
- TLCA Executive Development Program (EDP3) 2009, Thai Listed Companies Association (TLCA)

Director Training

- Director Certification Program (DCP) Class 132/2010, Audit Committee Program (ACP) Class 38/2012 and Monitoring the System of Internal Control & Risk Management (MIR) Class 12/2012, Thai Institute of Directors Association (IOD)

Present Positions

- Senior Executive Vice President, Petrochemicals & Refining Business Unit, PTT Public Company Limited
- Director / Chairman of the Risk Management Committee, PTT Global Chemical Public Company Limited
- Director, Thai Oil Ethanol Company Limited
- Director, Star Petroleum Refining Company Limited
- Director, PTT International Company Limited

Work Experiences

- | | |
|------------------|--|
| 2009 - 2010 | Executive Vice President, Subsidiary Planning & Management, PTT Public Company Limited |
| Apr. - Oct. 2011 | Director / Risk Management Committee, PTT Aromatics and Refining Public Company Limited |
| Apr. - Oct. 2011 | Director / Nomination Committee, PTT Chemical Public Company Limited |
| 2012 | Director, Thai Lube Base Public Company Limited |
| 2008 - 2009 | Assistant Managing Director - Strategic Planning & Business Development, Thai Oil Public Company Limited |
| 2007 - 2008 | Assistant Managing Director - Business, Thai Oil Public Company Limited |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



MR. BOWON VONGSINUDOM

Director

Director to the Corporate Governance Committee

Director to the Risk Management Committee

Age 58

Education / Training

- B.Eng. in Chemical Engineering, Chulalongkorn University
- M.Eng. in Chemical Engineering, Chulalongkorn University
- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- National Defence Course, Class 17, National Defence College

Director Training

- Director Accreditation Program (DAP) Class 76/2008, Thai Institute of Directors Association (IOD)

Present Positions

- Senior Executive Vice President, Downstream Petroleum Business Group, PTT Public Company Limited
- Director / Director to the Corporate Governance Committee / Director to the Risk Management Committee, PTT Global Chemical Public Company Limited
- Chairman, NPC Safety and Environmental Service Company Limited
- Chairman, PTT Maintenance and Engineering Company Limited
- Director and MD, PTT Polyethylene Company Limited
- Director, PTT Chemical International Private Limited
- Director, PTT Chemical International (Asia Pacific ROH) Limited
- Director, Thai Tank Terminal Limited
- Director, Global Power Synergy Company Limited

Work Experiences

| | |
|-----------------------|--|
| Oct. 2010 - 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 |
| 2010 - 2011 | Director, PTT Phenol Company Limited |
| 2008 - 2009 | Co-Chief Executive Officer, Alliance Refining Company Limited |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None



MR. ANON SIRISAENGTAKSIN

Director and Secretary to

the Board of Directors

Age 60

Education / Training

- Honorary Doctor of Public Administration, Bangkok Thonburi University
- M.B.A., Thammasat University
- B.Sc. (Geology), Chulalongkorn University
- Certificate in Project Investment Appraisal and Management and Certificate in Global Leadership, Harvard University, U.S.A.
- Capital Market Academy Leadership Program, Class 1, Capital Market Academy

Director Training

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

Present Positions

- Director and Secretary to the Board of Directors, PTT Global Chemical Public Company Limited
- Vice Chairman, Vinythai Public Company Limited
- Senior Executive Vice President, PTT Public Company Limited
- Chairman, PTT Chemical International Private Limited
- Chairman, PTT Phenol Company Limited
- Chairman, Emery Oleochemicals (M) Sdn Bhd
- Chairman, PTT Polyethylene Company Limited
- Chairman, PTT Chemical International (Asia Pacific ROH) Limited
- Director, Vencorex Holding
- Director, PTIGC International (Netherlands) B.V.
- Director, Bangkok Commercial Asset Management Company Limited
- Council Committee, King Mongkut's Institute of Technology Ladkrabang Council

Work Experiences

| | |
|------------------|---|
| 2008 - Apr. 2012 | Director, Member of the Risk Management Committee, President and Chief Executive Officer, PTT Exploration and Production Public Company Limited |
| 2002 - 2008 | Senior Executive Vice President Corporate Strategy and Development, PTT Public Company Limited |
| 2010 - 2012 | Director, PTTEP FLNG Holding Company Limited |
| 2010 - 2012 | Director, PTT FLNG Limited |
| 2006 - 2009 | Chairman, PTT ICT Solutions Company Limited |
| 2006 - 2009 | Director, HMC Polymers Company Limited |
| 2006 - 2009 | Director, Thai Paraxylene Company Limited |
| 2005 - 2009 | Director, Independent Power (Thailand) Company Limited |
| 2004 - 2009 | Director, Bangkok Polyethylene Public Company Limited |
| 2004 - 2009 | Director, Thai Lube Base Public Company Limited |
| 2004 - 2009 | Director, Alliance Refining Company Limited |
| 2004 - 2009 | Director, Star Petroleum Refining Company Limited |
| 2004 - 2009 | Director, PTT Polyethylene Company Limited |
| 2000 - 2009 | Director, PTT Natural Gas Distribution Company Limited |

Relation among Family with other Directors, Executives, Major Shareholders of the Company or Subsidiaries - None

MANAGEMENT TEAM

01 MR. ANON
SIRISAENGTAKSIN
Chief Executive Officer



02 MR. BOWON
VONGSINUDOM
President





**03 MR. DHANES
CHAROENSUPAYA**

Executive Vice President,
Strategic Execution
and Excellence



**04 MRS. PUNTIP
OUNGPASUK**

Executive Vice President,
Corporate Strategy



**05 MR. PATIPARN
SUKORNDHAMAN**

Executive Vice President,
Finance & Accounting



**06 MR. VARIT
NAMWONG**

Executive Vice President,
Organization Effectiveness



**07 MRS. THASNALAK
SANTIKUL**

Executive Vice President,
Corporate Affairs



**08 MRS. SRIWAN
EAMRUNGROJ**

Executive Vice President,
Marketing, Commercial
and Supply



**09 MR. KUN
PATUMRAJ**

Executive Vice President,
Engineering and
Maintenance



**10 MR. SUVIT
TINNACHOTE**

Executive Vice President,
Group Performance
Center - Olefins



**11 MR. NARONG
BUNDITKAMOL**

Executive Vice President,
Group Performance
Center - Aromatics



**12 MR. PORNTEP
BUTNIPHANT**

Executive Vice President,
Group Performance Center-
Refinery and Shared Facilities



**13 MR. ATHAVUDHI
HIRUNBURANA**

Executive Vice President,
Polymers Business Unit



**14 MR. SERMSAK
SRIYAPHAI**

Executive Vice President,
EO-Based Performance
Business Unit



**15 MR. VANCHAI
TADADOLTIP**

Executive Vice President,
Green Chemicals
Business Unit



**16 MR. KONGKRAPAN
INTARAJANG**

Executive Vice President

MANAGEMENT TEAM

MR. ANON SIRISAENG TAKSIN
CHIEF EXECUTIVE OFFICER
 AGE 60

01

Education / Training

- Honorary Doctor of Public Administration, Bangkok Thonburi University
- M.B.A., Thammasat University
- B.Sc. (Geology), Chulalongkorn University
- Certificate in Project Investment Appraisal and Management and Certificate in Global Leadership, Harvard University, U.S.A.
- Capital Market Academy Leadership Program, Class 1, Capital Market Academy
- Director Accreditation Program (DAP) Class 52/2006 and Director Certification Program (DCP) Class 73/2006, Thai Institute of Directors Association (IOD)

Present Positions

- Director and Secretary to the Board of Directors, PTT Global Chemical Public Company Limited
- Vice Chairman, Vinythai Public Company Limited
- Senior Executive Vice President, PTT Public Company Limited
- Chairman, PTT Chemical International Private Limited
- Chairman, PTT Phenol Company Limited
- Chairman, Emery Oleochemicals (M) Sdn Bhd
- Chairman, PTT Polyethylene Company Limited
- Chairman, PTT Chemical International (Asia Pacific ROH) Limited
- Director, Vencorex Holding
- Director, PTIGC International (Netherlands) B.V.
- Director, Bangkok Commercial Asset Management Company Limited
- Council Committee, King Mongkut's Institute of Technology Ladkrabang Council

Work Experiences

- | | |
|------------------|---|
| 2008 - Apr. 2012 | Director / Member of the Risk Management Committee / President and Chief Executive Officer, PTT Exploration and Production Public Company Limited |
| 2002 - 2008 | Senior Executive Vice President Corporate Strategy and Development, PTT Public Company Limited |
| 2010 - 2012 | Director, PTTEP FLNG Holding Company Limited |
| 2010 - 2012 | Director, PTT FLNG Limited |
| 2006 - 2009 | Chairman, PTT ICT Solutions Company Limited |
| 2006 - 2009 | Director, HMC Polymers Company Limited |
| 2006 - 2009 | Director, Thai Paraxylene Company Limited |
| 2005 - 2009 | Director, Independent Power (Thailand) Company Limited |
| 2004 - 2009 | Director, Bangkok Polyethylene Public Company Limited |
| 2004 - 2009 | Director, Thai Lube Base Public Company Limited |
| 2004 - 2009 | Director, Alliance Refining Company Limited |
| 2004 - 2009 | Director, Star Petroleum Refining Company Limited |
| 2004 - 2009 | Director, PTT Polyethylene Company Limited |
| 2000 - 2009 | Director, PTT Natural Gas Distribution Company Limited |

Relation among Family with other Directors and Executives
 - None

MR. BOWON VONGSINUDOM
PRESIDENT
 AGE 58

02

Education / Training

- B.Eng. in Chemical Engineering, Chulalongkorn University
- M.Eng. in Chemical Engineering, Chulalongkorn University
- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- National Defence Course, Class 17, National Defence College
- Director Accreditation Program (DAP) Class 76/2008, Thai Institute of Directors Association (IOD)

Present Positions

- Senior Executive Vice President, Downstream Petroleum Business Group, PTT Public Company Limited
- Director / Director to the Corporate Governance Committee / Director to the Risk Management Committee, PTT Global Chemical Public Company Limited
- Chairman, NPC Safety and Environmental Service Company Limited
- Chairman, PTT Maintenance and Engineering Company Limited
- Director and MD, PTT Polyethylene Company Limited
- Director, PTT Chemical International Private Limited

- Director, PTT Chemical International (Asia Pacific ROH) Limited
- Director, Thai Tank Terminal Limited
- Director, Global Power Synergy Company Limited

Work Experiences

- | | |
|-----------------------|--|
| Oct. 2010 - 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 |
| 2010 - 2011 | Director, PTT Phenol Company Limited |
| 2008 - 2009 | Co-Chief Executive Officer, Alliance Refining Company Limited |

Relation among Family with other Directors and Executives
 - None

MR. DHANES CHAROENSUPAYA**EXECUTIVE VICE PRESIDENT, STRATEGIC EXECUTION AND EXCELLENCE**

AGE 58

03

Education / Training

- Ph.D. (Mechanical Engineering), Illinois Institute of Technology, U.S.A.
- Master of Science (Mechanical Engineering), Texas A & I University, U.S.A.
- Bachelor's Degree in Mechanical Engineering, Chulalongkorn University
- Advanced Management Program, Harvard Business School, U.S.A.
- Director Certification Program (DCP) Class 97/2007, Thai Institute of Directors Association (IOD)

Present Positions

- Chairman, Bio Creation Company Limited
- Chairman, Advanced Biochemical (Thailand) Company Limited
- Director, Vinythai Public Company Limited
- Director, Thai Tank Terminal Limited
- Director, PTT Chemical International Private Limited
- Director, PTT Chemical International (Asia Pacific ROH) Limited
- Director, Myriant Corporation
- Director, PTT Phenol Company Limited

Work Experiences

- Oct. 2011 - Nov. 2012 Executive Vice President Growth Sustainability and Innovation, PTT Global Chemical Public Company Limited
- 2008 - 2011 Executive Vice President, Marketing, Commercial & Supply Chain Governance, PTT Chemical Public Company Limited
- 2006 - 2007 Senior Vice President, PTT Chemical Public Company Limited
- 2005 - 2006 EO / EG Project Director, PTT Chemical Public Company Limited
- 2008 - 2012 Director, Alliance Petrochemical Investment (Singapore) Private Limited
- 2008 - 2012 Director, Mehr Petrochemical Company Limited
- 2008 - 2011 Director, PTT Polymer Marketing Company Limited
- 2008 - 2011 Director, Thai Styrenics Company Limited
- 2008 - 2011 Director, PTT Utility Company Limited
- 2006 - 2007 Executive Vice President - Operation, TOC Glycol Company Limited

Relation among Family with other Directors and Executives
- None

MRS. PUNTIP OUNGPAK**EXECUTIVE VICE PRESIDENT, CORPORATE STRATEGY**

AGE 52

04

Education / Training

- Master's Degree in Business Administration (Commerce & Accountancy), Thammasat University
- Bachelor's Degree in Chemical Engineering, Prince of Songkla University
- The Advance Management Program (AMP), Harvard Business School, U.S.A
- Chief Finance Officer (CFO) Class 1/2004, the Institute of Certified Accountants and Auditors of Thailand
- Director Certification Program (DCP) Class 67/2005, Thai Institute of Directors Association (IOD) and Australian Institute of Company Directors

Present Positions

- Director and Executive Committee, Vinythai Public Company Limited
- Director, Vencorex Holding
- Director, PTTGC International (Netherlands) B.V.
- Director, TOC Glycol Company Limited
- Director, PTT Phenol Company Limited
- Director, PTT Chemical International Private Limited

- Director, Emery Oleochemicals (M) Sdn. Bhd.
- Director, PTT Chemical International (Asia Pacific ROH) Limited
- Director, Advanced Biochemical (Thailand) Company Limited
- Director, Bio Creation Company Limited

Work Experiences

- 2008 - 2011 Executive Vice President, Strategy & International Affairs, PTT Chemical Public Company Limited
- 2005 - 2007 Executive Vice President - Corporate Strategy & Business Development, PTT Chemical Public Company Limited
- 2011 - 2012 Director, Myriant Corporation
- 2009 - 2012 Director, Pimai Salt Company Limited
- 2008 - 2011 Director, Thai Tank Terminal Limited
- 2008 - 2010 Director, Thai Styrenics Company Limited
- 2007 - 2010 Director, PTT Polyethylene Company Limited
- 2007 - 2008 Director, PTT Polymer Marketing Company Limited

Relation among Family with other Directors and Executives
- None

MR. PATIPARN SUKORNDHAMAN
EXECUTIVE VICE PRESIDENT, FINANCE & ACCOUNTING
 AGE 51

05

Education / Training

- M.B.A. (Finance), The American University, U.S.A.
- B.A. Political Science (Public Administration - Public Finance), 2nd Class Honors, Chulalongkorn University
- Graduate Diploma in Public Law and Management (PLM 8), King Prajadhipok's Institute
- Certification Program for Senior Management 5 (Ex - PSM 5), Fiscal Policy Research Institute Foundation
- Director Certification Program (DCP) Class 73/2006, Thai Institute of Directors Association (IOD)

Present Positions

- Director, PTT Chemical International Private Limited
- Director, PTT Chemical International (Asia Pacific ROH) Limited
- Director, Thai Oleochemicals Company Limited
- Director, Thai Fatty Alcohol Company Limited
- Director, TOC Glycol Company Limited
- Director, Bio Creation Company Limited
- Director, PTT Phenol Company Limited
- Director, PTT ICT Solutions Company Limited

Work Experiences

- | | |
|-------------|---|
| 2009 - 2011 | Executive Vice President, Finance & Accounting, PTT Chemical Public Company Limited |
| 2003 - 2009 | Senior Executive Vice President Accounting and Finance (CFO), Bangchak Petroleum Public Company Limited |
| 2009 - 2012 | Director, PTT Polyethylene Company Limited |
| 2009 - 2012 | Director, Thai Ethanolamines Company Limited |

Relation among Family with other Directors and Executives
 - None

MR. VARIT NAMWONG
EXECUTIVE VICE PRESIDENT, ORGANIZATION EFFECTIVENESS
 AGE 49

06

Education / Training

- Bachelor of Business Administration, Marketing, Assumption Business Administration College
- Master of Business Administration, Business Administration (International Program), Ramkhamhaeng University
- Certificate of Senior Executive Program (SEP), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Director Accreditation Program (DAP) Class 91/2011 and Director Certification Program (DCP) Class 160/2012, Thai Institute of Directors Association (IOD)

Present Positions

- Director, PTT Chemical International Private Limited
- Director, PTT Chemical International (Asia Pacific ROH) Limited
- Director, Eastern Fluid Transport Company Limited
- Director, Thai Styrenics Company Limited
- Director, PTT ICT Solutions Company Limited
- Director, Sport Services Alliance Limited

Work Experiences

- | | |
|-------------|--|
| 2009 - 2011 | Executive Vice President - Human Resources & Corporate Administration, PTT Aromatics and Refining Public Company Limited |
| 2002 - 2009 | Manager Human Resources, Alliance Refining Company Limited |
| 2011 - 2012 | Director, PTT Utility Company Limited |

Relation among Family with other Directors and Executives
 - None

MRS. THASNALAK SANTIKUL
EXECUTIVE VICE PRESIDENT, CORPORATE AFFAIRS
 AGE 58

07

🔗 Education / Training

- Master and Doctorate Degree (D.E.S) International Laws, University D'Aix-Marseille, France
- Bachelor Degree in Political Science (International Affairs), Thammasat University
- Certification Business Program NIDA-Wharton (Class 2)
- Director Certification Program (DCP) Class 92/2007, Thai Institute of Directors Association (IOD)

🔗 Work Experiences

- | | |
|-------------|--|
| 2008 - 2011 | Senior Vice President, Corporate Affairs, PTT Chemical Public Company Limited |
| 2006 - 2007 | Senior Vice President - Office of the President, PTT Chemical Public Company Limited |

Relation among Family with other Directors and Executives
 - None

🔗 Present Positions

- Director, PTT Chemical International Private Limited
- Director, PTT Chemical International (Asia Pacific ROH) Limited
- Director, Thai Oleochemicals Company Limited
- Director, Thai Fatty Alcohol Company Limited
- Director, Bangkok Polyethylene Public Company Limited
- Director, NPC Safety and Environmental Service Company Limited

MRS. SRIWAN EAMRUNGROJ
EXECUTIVE VICE PRESIDENT, MARKETING, COMMERCIAL AND SUPPLY
 AGE 55

08

🔗 Education / Training

- B.Eng. (Mechanical Engineering), Second Class Honors, Chulalongkorn University
- MBA., Thammasat University
- Advance Management Program (AMP), Class 183/2012, Harvard Business School, U.S.A.
- The Strategy Challenge (TSC) Program, Class 2010, IMD
- INSEAD Business School, Class 2010, INSEAD Executive Education, France
- NIDA-Wharton Executive Leaders, Class 2005, Wharton School of Business, University of Pennsylvania, U.S.A.
- The Board's Role in Mergers and Acquisitions Class 1/2011 and Director Certification Program (DCP) Class 160/2012, Thai Institute of Directors Association (IOD)

🔗 Work Experiences

- | | |
|-------------|--|
| 2009 - 2010 | Executive Vice President, Strategy & Portfolio Management, PTT Public Company Limited |
| 2007 - 2008 | Executive Vice President, Corporate Strategies & Planning, PTT Public Company Limited |
| 2005 - 2007 | Executive Vice President, Strategic Planning Exploration & Production and Gas Business Group, PTT Public Company Limited |
| 2009 - 2012 | Director, HMC Polymers Company Limited |

Relation among Family with other Directors and Executives
 - None

🔗 Present Positions

- Executive Vice President, Petrochemicals & Refining Business Unit, PTT Public Company Limited
- Director, PTT Chemical International Private Limited
- Director, PTT Chemical International (Asia Pacific ROH) Limited
- Director, PTT Polymer Marketing Company Limited
- Director, Thai Styrenics Company Limited
- Director, Thai Tank Terminal Limited
- Director, Global Power Synergy Company Limited
- Director, PTT Phenol Company Limited

MR. KUN PATUMRAJ**EXECUTIVE VICE PRESIDENT, ENGINEERING AND MAINTENANCE**

AGE 56

09

Education / Training

- B.Sc., in Chemical Engineers, New Jersey Institute of Technology, U.S.A.
- M.Eng., in Chemical Engineers, Manhattan College, New York, U.S.A.
- Certificate of Senior Executive Program (SEP), Sasun Graduate Institute of Business Administration of Chulalongkorn University
- Advance Management Program (AMP), Harvard Business School, U.S.A.
- PTT Executive Leadership Program, GE Crotonville, U.S.A.
- Director Accreditation Program (DAP) Class 91/2011 and Role of the Chairman Program (RCP) Class 27/2012, Thai Institute of Directors Association (IOD)

Present Positions

- Chairman, PTT Energy Solutions Company Limited
- Director, NPC Safety and Environmental Service Company Limited
- Director, PTT Maintenance and Engineering Company Limited
- Director, PTT Polyethylene Company Limited

Work Experiences

| | |
|------------------|--|
| 2011 - 2012 | Director, PTT Utility Company Limited |
| 2010 - 2011 | Executive Vice President - Technology Engineering & Maintenance, PTT Aromatics and Refining Public Company Limited |
| Jan. - Apr. 2010 | Executive Vice President - Asset Management, PTT Aromatics and Refining Public Company Limited |
| 2007 - 2009 | Executive Vice President - Operations, PTT Aromatics and Refining Public Company Limited |
| 2002 - 2007 | Senior Vice President, Operations, The Aromatics (Thailand) Public Company Limited |
| 2006 - 2011 | Director, PTT Phenol Company Limited |

Relation among Family with other Directors and Executives
- None

MR. SUVIT TINNACHOTE**EXECUTIVE VICE PRESIDENT, GROUP PERFORMANCE CENTER - OLEFINS**

AGE 56

10

Education / Training

- Master of Public and Private Management, National Institute of Development Administration (NIDA)
- Bachelor's Degree in Electrical Engineering, King Mongkut's Institute of Technology (Ladkrabang)
- ASEAN Executive Program (AEP), GE Crotonville
- Director Certification Program (DCP) Class 92/2007, Thai Institute of Directors Association (IOD)

Present Positions

- Director, TOC Glycol Company Limited
- Director, PTT Polyethylene Company Limited
- Director, PTT Phenol Company Limited

Work Experiences

| | |
|-------------|---|
| 2011 - 2012 | Director, PTT Utility Company Limited |
| 2008 - 2011 | Executive Vice President, Polymers Products Value Center, PTT Chemical Public Company Limited |
| 2008 | Executive Vice President, EO-Based Performances Product Value Center, PTT Chemical Public Company Limited |
| 2005 - 2007 | Executive Vice President - Chief Operating Unit Plant I-4, PTT Chemical Public Company Limited |

| | |
|------------------|---|
| May - Aug. 2012 | Member Representative to the Governance Board, Natureworks LLC |
| 2011 - Aug. 2012 | Member of the Board Directors and President, PTTGC International (USA) Inc. |
| 2008 - 2012 | Director, NPC Safety and Environmental Service Company Limited |
| 2009 - 2012 | Chairman, Thai Stylenics Company Limited |
| 2009 - 2011 | Director, Bangkok Polyethylene Public Company Limited |

Relation among Family with other Directors and Executives
- None

MR. NARONG BUNDITKAMOL
EXECUTIVE VICE PRESIDENT, GROUP PERFORMANCE CENTER - AROMATICS
 AGE 58

11

🔗 Education / Training

- M.B.A., Thammasat University
- B.Eng. (Electrical Engineering), Chulalongkorn University
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Advance Management Program, Harvard Business School, U.S.A.
- Director Certification Program (DCP) Class 97/2007, Thai Institute of Directors Association (IOD)

🔗 Work Experiences

- | | |
|-------------|---|
| 2007 - 2011 | Executive Vice President, Olefins & Shared Facilities |
| 2010 - 2011 | Director, PTT Polyethylene Company Limited |
| 2008 - 2011 | Director, Thai Tank Terminal Limited |

Relation among Family with other Directors and Executives

- None

🔗 Present Positions

- Director, HMC Polymers Company Limited
- Director, PTT Phenol Company Limited
- Director, Global Power Synergy Company Limited
- Director, NPC Safety and Environmental Service Company Limited

MR. PORNTOP BUTNIPHANT
EXECUTIVE VICE PRESIDENT, GROUP PERFORMANCE CENTER
- REFINERY AND SHARED FACILITIES
 AGE 57

12

🔗 Education / Training

- B.Sc. in Chemistry, Chiang Mai University
- M.S.E.C. (Process Technology), Department of Chemistry and Chemical Engineering, University of Detroit, Michigan, U.S.A.
- Director Accreditation Program (DAP) Class 98/2012, Thai Institute of Directors Association (IOD)

🔗 Work Experiences

- | | |
|------------------|--|
| 2009 - 2011 | Executive Vice President - Refinery Operations, PTT Aromatics and Refining Public Company Limited |
| Feb. - Aug. 2009 | Executive Vice President - Aromatics Operations, PTT Aromatics and Refining Public Company Limited |
| 2008 - 2009 | Executive Vice President - Corporate Support and Acting Vice President - Public Relations, PTT Aromatics and Refining Public Company Limited |

Relation among Family with other Directors and Executives

- None

🔗 Present Position

- Director, Thai Tank Terminal Limited

MR. ATHAVUDHI HIRUNBURANA
EXECUTIVE VICE PRESIDENT, POLYMERS BUSINESS UNIT
 AGE 57

13

Education / Training

- Master of Science (Mechanical), Manhattan College, New York, U.S.A.
- Bachelor of Science (Mechanical), New York Institute of Technology, U.S.A.
- Senior Executive Program 2007, Stanford University, U.S.A.
- Executive Program for Senior Management 2005, Fiscal Policy Research Institute Foundation
- Managing People for HR Executive, Thammasat University
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Director Certification Program (DCP) Class 79/2006, Thai Institute of Directors Association (IOD)

Present Positions

- Chairman, Thai Styrenics Company Limited
- Member of the Board Directors and President, PTTGC International (USA) Inc.
- Member Representative to the Governance Board, Natureworks LLC
- Director, Bangkok Polyethylene Public Company Limited
- Director, PTT Polyethylene Company Limited
- Director, Polymer Marketing Company Limited
- Director, Alliance Petrochemical Investment (Singapore) Private Limited
- Director, Mehr Petrochemical Company Limited

Work Experiences

- | | |
|-----------------|--|
| 2005 - 2011 | Executive Vice President, Organizational Effectiveness, PTT Chemical Public Company Limited |
| 2009 - 2011 | Director, Thai Oleochemicals Company Limited |
| 2009 - 2011 | Director, Thai Fatty Alcohols Company Limited |
| 2009 - 2011 | Director, PTT Utility Company Limited |
| 2009 - 2011 | Director, Eastern Fluid Transport Company Limited |
| 2008 - 2011 | Director, PTT Chemical International Private Limited |
| 2008 - 2011 | Director, PTT Chemical International (Asia Pacific ROH) Limited |
| 2008 - 2011 | Director, TOC Glycol Company Limited |
| 2008 - 2011 | Director, PTT ICT Solutions Company Limited |
| 2005 - 2011 | Director, Thai Ethanolamines Company Limited |
| 2005 - 2010 | Director, Bio Creation Company Limited |
| Feb. - Dec 2005 | Executive Vice President - Chief Corporate Development & Support, Thai Olefins Company Limited |
| 2005 - 2007 | Acting Managing Director, Thai Ethoxylate Company Limited |

Relation among Family with other Directors and Executives
 - None

MR. SERMSAK SRIYAPHAI
EXECUTIVE VICE PRESIDENT, EO-BASED PERFORMANCE BUSINESS UNIT
 AGE 57

14

Education / Training

- Master's Degree in Public and Private Management, National Institute of Development Administration (NIDA)
- Bachelor's Degree in Electrical Engineering, Feati University, the Philippines
- Certificate Senior Executive Program, Kellogg / Sasin (SEP Class 19)
- Certificate Business Program, NIDA-Wharton (Class 3)
- Director Certification Program (DCP) Class 117/2009 and Financial Statements for Directors (FSD) Class 4/2009, Thai Institute of Directors Association (IOD)

Present Positions

- Chairman / MD, TOC Glycol Company Limited
- Director, Thai Ethoxylate Company Limited

Work Experiences

- | | |
|-------------|---|
| 2009 - 2011 | Senior Vice President, EO-Based Performance Product Value Center, PTT Chemical Public Company Limited |
| 2012 | Chairman / MD, Thai Ethanolamines Company Limited |
| 2012 | Director, PTT Maintenance and Engineering Company Limited |
| 2005 | Manager, Operation Support and Utilities Department, Thai Olefins Public Company Limited |

Relation among Family with other Directors and Executives
 - None

MR. VANCHAI TADADOLTIP
EXECUTIVE VICE PRESIDENT, GREEN CHEMICALS BUSINESS UNIT
 AGE 55

15

Education / Training

- Bachelor of Science, Chemical Technology, Chulalongkorn University
- Director Accreditation Program (DAP) Class 90/2011, Thai Institute of Directors Association (IOD)

Present Positions

- Chairman and Acting Managing Director, Thai Oleochemicals Company Limited
- Chairman and Acting President, Thai Fatty Alcohols Company Limited
- Director and Executive Committee, Emery Oleochemicals (M) Sdn. Bhd.
- Director, Natureworks LLC
- Director and Secretary of Corporation, PTTGC International (USA) Inc.
- Director, Vencorex Holding
- Director, PTTGC International (Netherlands) B.V.

Work Experiences

- | | |
|------------------|--|
| 2011 - 2012 | Executive Vice President - High Volume Specialties Business Unit (HVS), PTT Global Chemical Public Company Limited |
| 2010 - 2011 | Executive Vice President - Supply Planning & Business Development, PTT Aromatics and Refining Public Company Limited |
| 2009 - 2010 | Executive Vice President - Aromatics Operations, PTT Aromatics and Refining Public Company Limited |
| Feb. - Aug 2009 | Executive Vice President - Refinery Operations, PTT Aromatics and Refining Public Company Limited |
| 2006 - 2011 | Manager - Major Projects, Alliance Refining Company Limited |
| Feb. - Dec. 2011 | Director, PTT Phenol Company Limited |

Relation among Family with other Directors and Executives
 - None

MR. KONGKRAPAN INTARAJANG
EXECUTIVE VICE PRESIDENT
 AGE 45

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Education / Training

- Ph.D. Chemical Engineering, University of Houston, U.S.A.
- Bachelor of Science, Chemical Engineering (2nd Class Honors), Chulalongkorn University
- Director Certification Program (DCP) Class 119/2009 and Role of the Chairman Program (RCP) Class 21/2009, Thai Institute of Directors Association (IOD)

Present Positions

- Director / Executive Committee and Chief Executive Officer, Emery Oleochemicals (M) Sdn. Bhd.
- Director, Emery Oleochemicals LLC
- Director, Emery Oleochemicals GmbH
- Director, Emery Oleochemicals (UK) Pvt Ltd.
- Director, Erca Emery Surfactants B.V.
- Director, Emery Aekyung Sdn. Bhd.
- Director, PTT Chemical International Private Limited
- Director, PTT Chemical International (Asia Pacific ROH) Limited

Work Experiences

- | | |
|-------------|--|
| 2011 - 2012 | Senior Vice President, PTT Global Chemical Public Company Limited, Appointed as Chief Executive Officer - Emery Oleochemicals (M) Sdn. Bhd., |
|-------------|--|

- | | |
|------------------|---|
| 2009 - 2011 | Senior Vice President, PTT Chemical Public Company Limited, Appointed as Chief Executive Officer - Emery Oleochemicals (M) Sdn. Bhd., |
| Jan. - Oct 2009 | Senior Vice President, EO-Based Performance Product Value Center, PTT Chemical Public Company Limited |
| Feb. - Dec. 2008 | Senior Vice President, Oleochemical Product Value Center, PTT Chemical Public Company Limited |
| 2007 - 2009 | Vice President, Corporate Business Development, PTT Chemical Public Company Limited |
| 2009 | Chairman, TOC Glycol Company Limited |
| 2009 | Chairman, Thai Ethanolamines Company Limited |
| 2009 | Chairman, Thai Choline Chloride Company Limited |
| 2007 - 2010 | Director, Thai Ethoxylate Company Limited |
| 2007 - 2008 | Director, Thai Fatty Alcohol Company Limited |
| 2007 - 2008 | Director / Secretary to the Board of Directors and Managing Director, Thai Oleochemicals Company Limited |
| 2007 - 2009 | Vice Chairman, the Federation of Thai Industries, Petrochemical Industry Club |

Relation among Family with other Directors and Executives
 - None

PTTGC'S SENIOR VICE PRESIDENT

MR. ATHAVUTH VIKITSRETH

Senior Vice President
External Affairs

MR. TOASAPORN BOONYAPIPAT

Senior Vice President
High-Volume Specialties Business Unit

SENIOR VICE PRESIDENT APPOINTED AS EXECUTIVES OF ITS SUBSIDIARIES

MR. PRAKOB PETCHARUTTANA

Senior Vice President
under Chief Executive Officer, Appointed as Managing Director,
NPC Safety and Environmental Service Company Limited

MR. NARONGSAK JIVAKANUN

Senior Vice President
under Chief Executive Officer, Appointed as Chief Executive Officer,
PTT Chemical International (Asia Pacific ROH) Limited

MR. SOMKIAT KHUNLERTKIT

Senior Vice President
under Chief Executive Officer, Appointed as Managing Director,
Thai Tank Terminal Limited

MR. SIRIDECH KUMVONGDEE

Senior Vice President
under Chief Executive Officer, Secondment,
PTT Phenol Company Limited

CHANGED IN DIRECTORS AND EXECUTIVES IN 2012

MR. VEERASAK KOSITPAISAL

Director, Secretary to the Board of Directors and Chief Executive Officer resigned on May 1st, 2012

MR. ANON SIRISAENGTAKSIN

Appointed as Director, Secretary to the Board of Directors and Chief Executive Officer, replacing Mr.Veerarak Kositpaisal on May 1st, 2012

POLICE GENERAL SREEPISUT TAMEEYAVES

Independent Director and Chairman of the Corporate Governance Committee resigned on January 11th, 2013 and the Board of Directors has appointed Police General Sombat Amornvivat, Independent Director and Director to the Corporate Governance Committee in replacement starting from February 15th, 2013

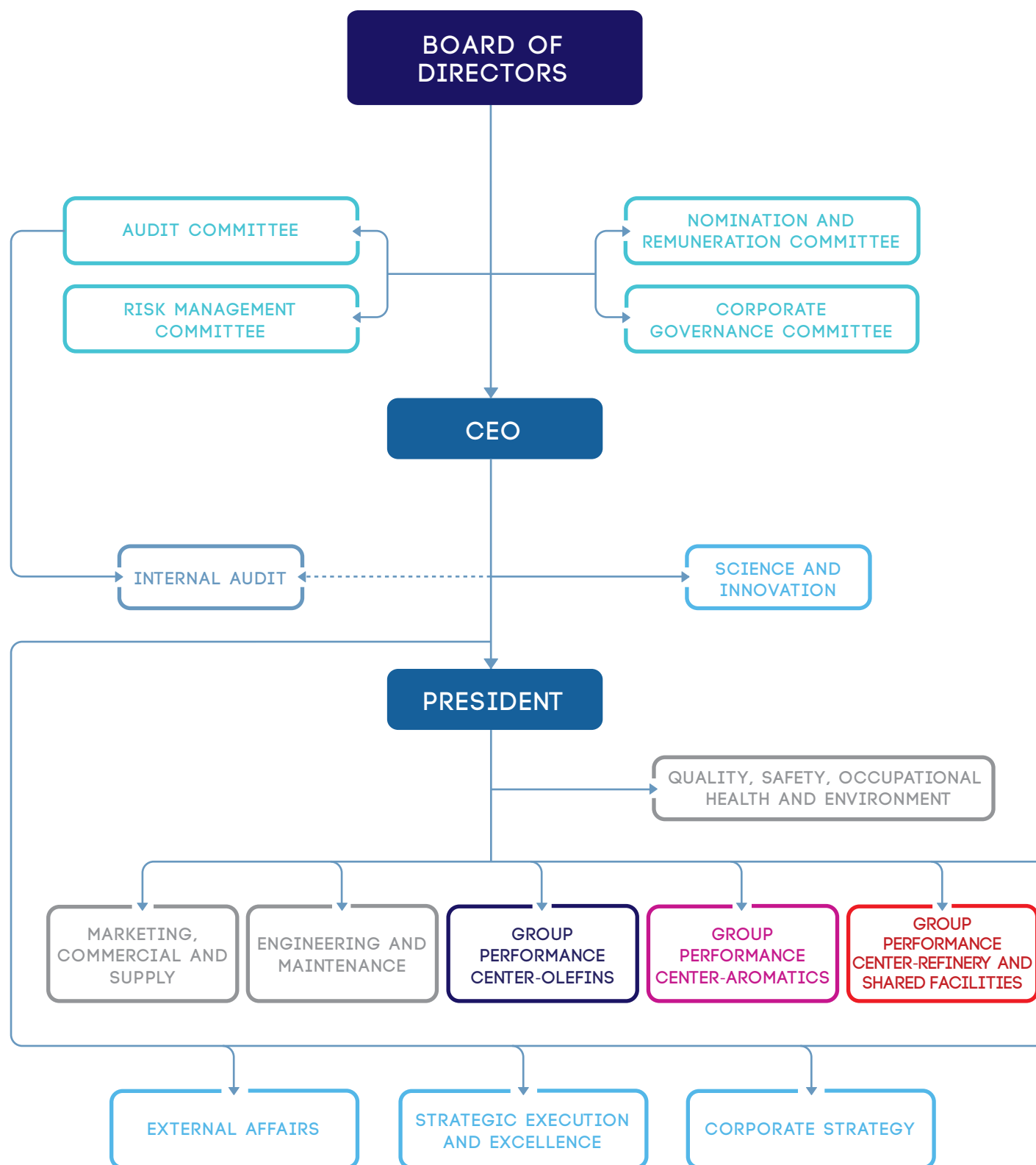
MR. DHANES CHAROENSUPAYA

Appointed as Executive Vice President, Strategic Execution and Excellence on December 1st, 2012

MR. KONGKRAPAN INTARAJANG

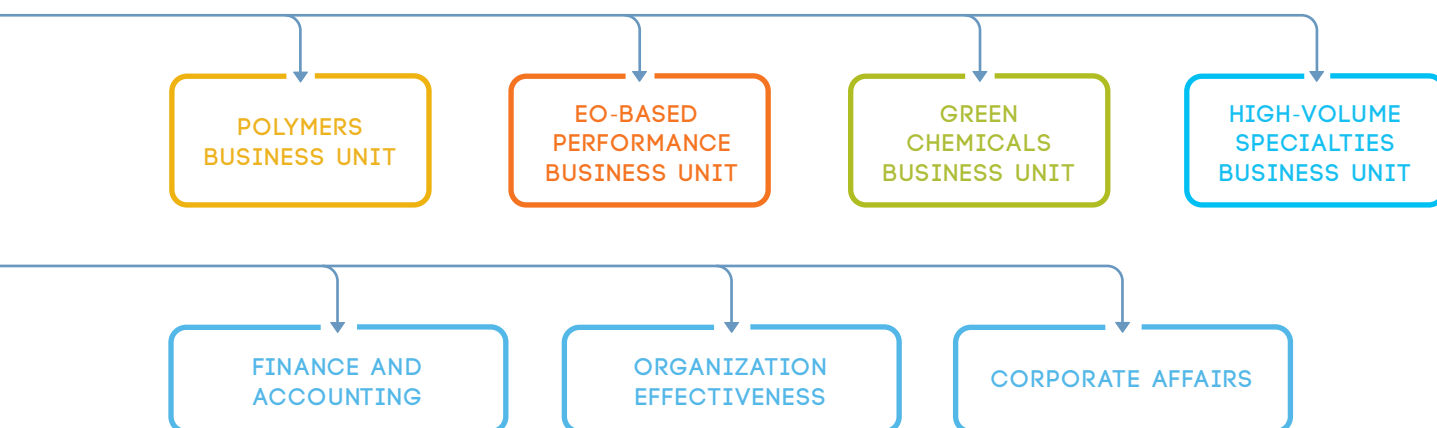
Appointed as Executive Vice President on November 1st, 2012

MANAGEMENT STRUCTURE



ORGANIZATIONAL STRUCTURE

PTTGC has implemented a series of adjustments to the organizational structure of its management on January 1st, 2013. These were implemented to help embed its strategic goals into both management and operational levels to create long-term sustainability and better meet the needs of its customers.



PTTGC'S BOARDS OF DIRECTORS AS OF DECEMBER 31ST, 2012

| NAME | POSITION |
|--|---|
| 1. Mr. Prasert Bunsumpun | Chairman |
| 2. Police General Sereepisut Tameeyaves (Resigned on January 11 th , 2013) | Independent Director |
| | Chairman of the Corporate Governance Committee |
| 3. Mr. Somchai Kuvijitsuwan | Independent Director |
| | Chairman of the Audit Committee |
| 4. Mr. Prajya Phinyawat | Director |
| 5. Mr. Vasin Teeravechyan | Independent Director |
| | Chairman of the Nomination and Remuneration Committee |
| 6. Mrs. Raweporn Kuhirun | Independent Director |
| | Director to the Audit Committee |
| 7. Police General Sombat Amornvivat | Independent Director |
| | Director to the Corporate Governance Committee |
| 8. Air Chief Marshal Somchai Thean-anant | Independent Director |
| | Director to the Nomination and Remuneration Committee |
| 9. Mr. Amnuay Preemonwong | Independent Director |
| | Director to the Audit Committee |
| 10. Mr. Suthep Liumsirijarein | Independent Director |
| | Director to the Risk Management Committee |
| 11. Mr. Kriengkrai Thiennukul | Independent Director |
| | Director to the Corporate Governance Committee |
| 12. Mr. Nuttachat Charuchinda | Director |
| | Director to the Nomination and Remuneration Committee |
| 13. Mr. Sukrit Surabotsopon | Director |
| | Chairman of the Risk Management Committee |
| 14. Mr. Bowon Vongsinudom | Director |
| | Director to the Corporate Governance Committee |
| | Director to the Risk Management Committee |
| 15. Mr. Anon Sirisaengtaksin * | Director and Secretary to the Board of Directors |

Note * Mr. Anon Sirisaengtaksin was appointed as a Director and Secretary to the Board of Directors at the Board Meeting No. 4/2012 on April 27th, 2012, in replacement of Mr. Veerasak Kositpaisal and starting on May 1st, 2012.

COMPOSITION OF THE BOARD OF DIRECTORS

The Company's Articles of Association mandate that the Board of Directors must be composed of no less than 5 but no more than 15 members. Directors will be appointed to and terminated from the Board during shareholder meetings. At least one in every three members (1/3) must be an Independent Director, with a minimum of 3 for the entire Board. More than half (1/2) of the Board of Directors must reside inside the Kingdom, and each member must be fully qualified by law. Independent Directors must be fully qualified as per the criteria and restrictions set forth by the Securities and Exchange Commission. Finally, Directors must not be older than 70 years.

APPOINTMENT TO AND TERMINATION FROM THE BOARD OF DIRECTORS

The Company's Articles of Association provisions related to appointments to and terminations from the Board of Directors are summarized as follows:

APPOINTMENT

- Shareholders will cast their votes in Board of Director elections according to the following guidelines.
 - (1) Shareholders will have one vote for each share they own.
 - (2) In the event that there are fewer nominees than there are vacant positions being voted on during Board elections, shareholders will vote on those eligible nominees. Shareholders must allocate their votes to one nominee as per (1), without dividing them across more than one nominee.
 - (3) In the event the number of nominees exceeds the number of positions vacant, shareholders will still have to allocate all of their votes to one nominee as per (1). Nominees receiving the most votes will receive appointments to the Board, until there are no vacancies left. If there are any ties in the voting, the Chairman of the Board will cast the deciding vote.

- The Board of Directors will select one member to serve as Board Chairman. Additionally, the Board will select another member to serve as Vice Chairman, who will serve in the Chairman's stead if he/she is temporarily unable to perform his/her duties or if the Chairman's seat becomes vacant. Decisions made during Board meetings will be done on a majority basis, with the Chairman voting only when a deciding vote is needed.
- In the event the Chairman's seat vacates for any other reason than end of tenure, the Board will hold a new election to decide on a new Chairman who is fully qualified and meets all related laws and regulations. However, if the remaining term is less than two months, the new Chairman will only serve the remaining term of the previous Chairman. This decision must be made with the agreement of three quarters (3/4) of the remaining Directors.
- In the event that vacancies cause the number of Directors to fall below the necessary quorum, the only authority the Directors have remaining is to call a shareholders meeting to elect new Directors to fill the vacancies. This must be done within one (1) month from the date the quorum is unable to be made. New Directors will serve the remaining terms of those Directors they are replacing.

TERMINATION

- In each Annual General Meeting, one in every three (1/3) serving Directors should step down from their positions. If this ratio of one to three cannot be equally met, the number of Directors stepping down should do so in a way to reach the closest ratio of 1:3 as possible. First and second year Directors will be randomly selected to step down. However, for later years the Director with the longest tenure will be the one having to step down. Directors who step down are able to be re-elected to the Board.
- In addition to term expiration, causes for Directorship termination include death, resignation, or disqualification due to lack of ability or prohibition by law. Additionally, Directors can be terminated by shareholder vote or by court order.

- Directors can submit their resignation by submitting it to the Company. A resignation is effective the day it is received by the Company. Also, Directors may submit their resignation through the Registrar.
- Votes may be held at the shareholder's meeting to force termination of a Director's position before term expiration. Attending shareholders must vote to approve of such with the agreement of three quarters (3/4). Additionally, at least half (1/2) of outstanding shares must be represented in this vote as well.

AUTHORITIES AND RESPONSIBILITIES

The Board of Directors is responsible for overseeing the entire Company in a way that is lawful, within its scope, and according to Company's Articles of Association. Its responsibilities are carried out according to shareholder resolutions. Important authorities and responsibilities of the Board are listed as follows.

- (1) To conduct its duties and management of the Company according to the laws, scope, regulations, and shareholder resolutions. The Board will follow strictly the principles of "Best Practices for Directors of Listed Companies", as set out by the Stock Exchange of Thailand.
- (2) To dedicate its time and attention to the vision, mission and strategic direction of the Company. Directors should freely express their opinions and actively seek out information that could be useful to the Company's interests and benefits.
- (3) To review and approve strategies and important policies, as well as financial goals and Company plans. The Board will continuously supervise and monitor management to ensure their adherence to the Company's strategic plans, making sure that management is able to implement the strategies, direction and vision within its working processes in an efficient manner.
- (4) To set Corporate Governance Policy as well as the Business Code of Conduct, defining principles and guidelines for the Board of Directors, members of management, employees, as well as each and every contractors. These documents are to raise awareness of responsibilities and duties. It is also intended to build understanding of and encourage strict adherence to policies. They are to work hand in hand with Company's Articles of Association and regulations, and ensure fairness is provided to all stakeholders.
- (5) Ensure that systems for accounting, financial reporting, and auditing are reliable. This includes ensuring internal control measurement systems, and making sure that audits are performed in an efficient and effective manner.
- (6) Consider all relevant risk factors and create a comprehensive management approach to mitigate against them. Ensure the systematic management of efficient processes involved in risk management, as well as explore all possible business opportunities that might arise from such risk factors. Additionally, the Board is to provide sufficient and efficient internal controls.
- (7) Monitor and manage all conflict of interests that arise, as well as connected transactions. The Board will focus on maximizing shareholder and stakeholder value.
- (8) Provide appropriate channels to communicate with shareholders and make disclosures. The Board is to ensure that information is made in an accurate, clear, transparent way meeting the highest standards.
- (9) Regularly perform assessments and reviews of themselves, as well as of the Chief Executive Officer.
- (10) Provide a system and various mechanisms to determine an appropriate level of remuneration for the Company's Executives, relative to the profitability of Company business operations. Financial incentives should be provided for performance both in the short and in the long term.
- (11) Act as a leader and role model in practicing good ethics as per the Company's Corporate Governance Policies.

- (12) Assess adherence to Corporate Governance Policies and the Company's ethics no less than once per year.
- (13) Determine assessment criteria for the filling of important management appointments. The recruitment process should be made fair and transparent.
- (14) Reports must be made to the Company of any conflict of interests Directors may have, including relationships and conflicts that they may have with other members of management as well as with subsidiaries.
- (15) Each Director must attend each meeting of the Board as well as each shareholder's meeting. If under any circumstances attendance will not be able to be made, notification must be sent to the Chairman of the Board.
- (16) The Board of Directors must ensure that business operations are done with a focus on being responsible towards society and the environment, as well as promoting the well-being and sustainability of Thai society. This includes raising the living standards of community members living in the areas around Company plants, creating an environment where the Company and those who live around its operations can co-exist.

Additionally, the Board of Directors must receive permission during Shareholder Meetings before acting on the following issues:

- Entering into various transactions, regarding the acquisition or sale of important Company assets. The specifics of this point are outlined by law as well as by the Capital Market Supervisory Board.
- Conduct a sale or transfer of Company enterprises or important parts of them to other entities.
- Conduct the purchase or acquisition of enterprises on behalf of the Company.
- Modify or terminate lease contracts, either whole or parts that are of relevance to Company business. Assignments of lease contracts to other individuals are

included in this, as well as to enter into partnerships with other entities.

- Make addendums or changes to Company's Memorandum or Articles of Association.
- Make an increase or decrease of the amount of registered capital.
- Make issuances of debt to the public.
- Conduct dissolution of the Company or merge with another company.
- Announce annual dividends.
- Other various activities prohibited by law or requiring prior shareholder approval as per Company's Articles of Associations.

AUTHORIZED DIRECTORS

According to Company's Articles of Association and its Certification of Incorporation from the Department of Business Development of the Ministry of Commerce, on January 11th, 2013, the following Directors will be able to sign their names on behalf of PTGC: "(1) Mr. Anon Sirisaengtaksin - Chief Executive Officer can sign on the behalf of PTGC, or (2) of Mr. Somchai Kuvijitsuwan, Mr. Suthep Liumsirijareern, Police General Sombat Amornvivat, Mrs. Raweporn Kuhirun, Mr. Kriengkrai Thiennukul, Mr. Nuttachat Charuchinda, Mr. Sukrit Surabotsopon, Mr. Bowon Vongsinudom, Air Chief Marshal Somchai Thean-anant, Mr. Vasin Teeravechyan, Mr. Amnuay Preemonwong, and Mr. Prajya Phinyawat. Two of these ten Directors can together sign on behalf of the Company"

SUB-COMMITTEES

The Board of Directors, during its Meeting No. 1/2012 held on October 19th, 2012, established 4 different Sub-Committees. Each Sub-Committee was set up to place special focus on their specific task with a sense of diligence and efficiency. The goal of these Sub-Committees was to help the Company better adhere to principles of good corporate governance. Their findings will be presented to the Company's Board of Directors.

As of December 31st, 2012, the structure of the Sub-Committees was as follows:

AUDIT COMMITTEE

The Audit Committee must be comprised of at least three Independent Directors, one of whom must have expertise in accounting and finance and be fully qualified and meet all the standards set forth by the Securities and Exchange Commission. The scope of its work is defined by the Capital Market Commission and all of its members must have knowledge and experience related to

auditing. This Sub-Committee is responsible for making sure that financial reporting is done in an open and honest manner, as well as to ensure that internal controls and risk management is being conducted appropriately and efficiently. The Audit Committee will also select the external auditors, and handle decisions and disclosures related to conflict of interests.

AS OF DECEMBER 31ST, 2011, THE AUDIT COMMITTEE WAS MADE UP OF THE FOLLOWING DIRECTORS:

| NAME | POSITION |
|--------------------------|--|
| Mr. Somchai Kuvijitsuwan | Chairman of the Audit Committee (Independent Director) |
| Mrs. Raweporn Kuhirun | Director to the Audit Committee (Independent Director) |
| Mr. Amnuay Preemonwong | Director to the Audit Committee (Independent Director) |

Miss Araya Buraskarn, Vice President of the Internal Audit Department, serves as Secretary to the Audit Committee.

Terms for the Audit Committee are 3 years, or shorter if a Director resigns or is forced to leave the position. Directors whose terms have expired are eligible to be re-appointed by the Board of Directors. Responsibilities of the Audit Committee are as follows.

- To ensure that the Company employs appropriate risk management systems and standards.
- To ensure that related internal processes are made available for whistle-blowing or making complaints.

FINANCIAL REPORTS AND EXTERNAL AUDITING

- To perform audits of PTTGC's financial statements. The Audit Committee must ensure that the Company's financial statements are accurate, reliable, and complete. Additionally, it must ensure that the Company conducts itself according to relevant accounting standards as mandated by law and related regulations.
- To select appropriate external auditors, as well as determine their remuneration so that they maintain their independence.
- To promote the independence of external auditors.

INTERNAL CONTROLS

- To ensure that the Company maintains an efficient and appropriate internal control system.

INTERNAL AUDITS

- To ensure that the Company's internal auditing system is appropriate and efficient, as well as make sure that internal auditing bodies conduct their responsibilities according to internal auditing standards.
- To evaluate the level of independence the internal auditing bodies maintain.
- To appoint, remove, and assess the performance of the head of the internal auditing bodies.
- To approve the Charter of the internal auditing body.
- To approve and assess the Audit Committee's annual plan, monitoring the compliance with each type and level of risk to which the Company is exposed.

- To make reviews of the results of audits submitted by internal auditors.
- To act as a liaison between the Audit Committee, management, and internal and external auditors to ensure standardization and scope of auditing methods.

COMPLIANCE WITH RELATED LAWS AND REGULATIONS

- To ensure that the Company complies with all the laws and regulations of the Securities and Exchange Commission, as well as requirements set forth by the SET. This also includes any other laws related to PTTGC business.
- To give consideration to reports of vested interests or conflict of interests in a manner that is lawful and subscribes to SET regulations in a reasonable way and in such a way that creates the greatest benefit possible to the Company.

REPORTING

- To prepare a report of Audit Committee for publishing in PTTGC's Annual Report according to the requirements of the SET, to be signed by the Chairman of the Audit Committee.
- To prepare a report to summarize the operations of the Audit Committee to be submitted for the Board of Directors' approval.
- In the event the Audit Committee discovers a finding that might have serious effect on the financial foundation of the Company or the Company's operations, it will prepare a report within an appropriate timeframe to be submitted to the Board of Directors so that they may take corrective action. Examples of this include:
 1. Discoveries of conflict of interests.
 2. Cases of fraud, irregularity, or defects with internal control systems.
 3. Violations of SEC law, SET regulations, or other laws related to PTTGC business.
- If the Board of Directors or Company management is unable to make the proper corrective action

within a reasonable timeframe, a member of the Audit Committee may prepare and submit a report outlining the event to the SEC or SET.

OTHER RESPONSIBILITIES

- The Audit Committee may seek expert advice from outside consultants, and the Company will be responsible for any costs incurred in this process.
- Reviews and adjustments to the Audit Committee Charter may be made and presented to the Board of Directors for approval.
- To perform any other duties as requested by the Board of Directors if approved by the Audit Committee.

Furthermore, the Audit Committee is required to hold at least one meeting per year with internal auditors in the absence of other members of the management.

RESPONSIBILITIES:

The Audit Committee is directly responsible to the Board of Directors as well as in accordance to the duties and responsibilities assigned to them. It is the Board of Directors who is responsible for Company operations towards individuals outside of the organization.

THE NOMINATION AND REMUNERATION COMMITTEE

This Sub-Committee is comprised of at least 3 Directors, with at least one being an Independent Director. The Chairman of the Nomination and Remuneration Committee should also be an Independent Director. Responsibilities include nominating appropriate individuals to be considered for Chief Executive Officer or for Directorship. The nomination and remuneration processes should follow set guidelines and be transparent, both for the CEO as well as Directors. These processes should also be fair and reasonable. Furthermore, they must be approved at the Shareholders meeting.

AS OF DECEMBER 31ST, 2012,

THE NOMINATION AND REMUNERATION COMMITTEE WAS MADE UP OF THE FOLLOWING DIRECTORS:

| NAME | POSITION |
|---------------------------------------|--|
| Mr. Vasin Teeravechyan | Chairman of the Nomination and Remuneration Committee (Independent Director) |
| Air Chief Marshal Somchai Thean-anant | Director to the Nomination and Remuneration Committee (Independent Director) |
| Mr. Nuttachat Charuchinda | Director to the Nomination and Remuneration Committee |

Directors of the Nomination and Remuneration Committee will hold office for a term of 3 years or until a time in which they are no longer able to serve as a Director. Other reasons for termination of duty include resignation or dismissal. Those whose terms have ended are able to be re-appointed by the Board of Directors.

As per the approval of the Board of Directors during its Meeting No. 4/2011 on December 26th, 2011, the Charter of the Nomination and Remuneration Committee contains the following authorities and responsibilities:

SCOPE OF AUTHORITY:

- To screen qualified individuals for consideration for the positions of the CEO or Directors. Nominations should be made according to criteria and processes that are transparent, and then presented to the Board of Directors and/or the Shareholder's meeting for approval.
- To set appropriate levels of remuneration for the CEO and Directors, following criteria that are fair and reasonable. These will be presented to the Board of Directors and/or to the Shareholder's meeting for approval.

- To perform other duties as specified by the Board of Directors.

RESPONSIBILITIES:

The Nomination and Remuneration Committee is directly responsible to the Board of Directors. The Committee perform its duties and responsibilities as assigned to them. The Board of Directors is the entity responsible for Company affairs directed to individuals outside the organization.

THE CORPORATE GOVERNANCE COMMITTEE

The Sub-Committee is comprised of at least three Directors, with at least one of them being an Independent Director. The Chairman of this Sub-Committee should also be an Independent Director. Responsibilities include determining the methods and policies related to the Corporate Governance Policies and Business Code of Conduct. These methods and policies are presented to the Board of Directors so that they may be approved and implemented throughout the organization, in an effort to meet the same standard across the organization.

AS OF DECEMBER 31ST, 2012,

THE CORPORATE GOVERNANCE COMMITTEE WAS MADE UP OF THE FOLLOWING DIRECTORS:

| NAME | POSITION |
|---|--|
| Police General Sereepisut Tameeyaves (Resigned on January 11 th , 2013) | Chairman of the Corporate Governance Committee (Independent Director) |
| Police General Sombat Amornvivat (Appointed as Chairman of the Committee on February 15 th , 2013) | Director to the Corporate Governance Committee (Independent Director) |
| Mr. Kriengkrai Thiennukul | Director to the Corporate Governance Committee (Independent Director) |
| Mr. Bowon Vongsinudom | Director to the Corporate Governance Committee |

Mrs. Thasnalak Santikul - Executive Vice President - Corporate Affairs serves as the Secretary to the Corporate Governance Committee

Directors of the Corporate Governance Committee will hold office for a term of 3 years or until they are no longer able to serve as a Director. Reasons for this may include resignation, termination, or dismissal. Those whose terms have ended are eligible to be re-appointed by the Board of Directors. The Corporate Governance Committee's scope of authority and responsibilities are outlined in the Committee's Charter, approved by the Board of Directors during its Meeting No. 4/2011 on December 26th, 2011. They are as follows:

SCOPE OF AUTHORITY:

- To maintain PTTGC's Corporate Governance policies and guidelines, as well as present them to the Board of Directors and members of management so that they may be implemented throughout the organization. The outcome of this action will be to create a standardized system for corporate governance throughout the organization.
- To control, consult on, and make assessments and review of good corporate governance policies and business code of conduct. Development and raising standards of the Company's Corporate

Governance system will be continued so that they meet an international standard.

- To perform other duties as specified by the Board of Directors.

RESPONSIBILITIES:

The Corporate Governance Committee is directly responsible to the Board of Directors. It is the Board of Directors that is the entity responsible to Company operations concerning individuals outside of the Company.

THE RISK MANAGEMENT COMMITTEE

The Sub-Committee is comprised of at least three Directors, with at least one being an Independent Director. Responsibilities include setting appropriate risk management policies that are relevant to Company operations. Also include maintaining systematic risk management processes in an effort to reduce Company exposure to various risks. Monitoring and assessments of the risk management framework will be conducted as well to ensure that the Company has an appropriate level of risk management at all times.

AS OF DECEMBER 31ST, 2012,

THE RISK MANAGEMENT COMMITTEE WAS MADE UP OF THE FOLLOWING DIRECTORS:

| NAME | POSITION |
|---------------------------|---|
| Mr. Sukrit Surabotsopon | Chairman of the Risk Management Committee |
| Mr. Suthep Liumsirijarern | Director to the Risk Management Committee (Independent Director) |
| Mr. Bowon Vongsinudom | Director to the Risk Management Committee |

Mr. Adisorn Vichaikatka, Vice President of the Corporate Risk Management and Internal Control System Department serves as Secretary to the Risk Management Committee.

Directors of the Risk Management Committee hold office for a term of 3 years. Terms may be shorter due to termination, resignation, or dismissal. Those whose terms have expired are eligible to be re-appointed by the Board of Directors. The Risk Management Committee's duties and responsibilities are outlined in the Committee's Charter, as approved by the Board of Directors during its Meeting No. 4/2011 on December 26th, 2011. They are as follows:

SCOPE OF AUTHORITY:

- To establish policies and guidelines for the Risk Management Committee that are not only efficient but also appropriate to the Company's business operations.
- To establish a risk management plan as well as management processes to be followed throughout the organization.
- To monitor and make assessments of organizational adherence to the risk management framework.
- To conduct other responsibilities as assigned by the Board of Directors.

RESPONSIBILITIES:

The Risk Management Committee is directly responsible to the Board of Directors. It is the Board of Directors that is the entity responsible to PTTCG operations concerning individuals outside of the Company.

INDEPENDENT DIRECTORS

The Company's Articles of Associations mandate that the Board of Directors must be comprised of by no less than one third (1/3) of Independent Directors, with a total minimum of three (3). These Independent Directors must be experienced and fully qualified as per the Capital Market Supervisory Board. Additionally, they must not hold more than 0.5% of shares in PTTCG (a stricter regulation than the SEC's limit of 1%)

Independent Directors must be able to attend meetings regularly and freely express their opinions during these meetings. They must be able to adequately speak to matters of finance and other matters central to PTTCG in a way that is independent. They will protect stakeholder interests and make sure to prevent conflict of interests from arising between PTTCG, members of management, the Board of Directors, large shareholders, and other companies. Furthermore, Independent Directors must be able to report on their abilities to maintain their independence not only when appointed but also every year, for disclosure in the Annual Report as well as to inform PTTCG of any changes in this regard.

DEFINITION OF "INDEPENDENT DIRECTORS"

- (1) Maintain of no more than 0.5% in PTTCG and its subsidiaries, affiliates companies, major shareholders, or controlling bodies. This

percentage includes shares held by people closely related to the Independent Director as well.

- (2) Must not have been a Director, employee, staff member, on-staff consultant, or involved in a controlling body in PTTGC, its subsidiaries, affiliates companies, large stakeholders, or other controllers in the last two years.
- (3) Must not be related by blood or through legal registration to other Directors, members of management, major shareholders, controlling bodies, or individuals that are being nominated to become Director, management, or a member of a controlling body over PTTGC or its subsidiaries. This includes being a parent, spouse, sibling, child, or spouse of their children as well.
- (4) Does not maintain any sort of business relationship that may interfere with their judgment. This includes relationships with PTTGC, its subsidiaries or affiliates companies, its major stakeholders, or its controlling bodies. Additionally, Independent Directors must not have relationships with major shareholders nor relationships with individuals who are close to the operations of PTTGC, its subsidiaries and affiliates companies, major stakeholders, or controlling bodies. They must not have relationships to any current Directors nor any Directors who have been appointed in the previous two years.

The scope of these business relationships encompasses normal commercial transactions, renting or leasing capital, the transaction of assets or services, or any kind of financial assistance. This includes loans, insurance, or the provision of collateral. These restrictions speak specifically towards transactions that affect larger than 3% of the Company's net tangible assets, or larger than a valuation of 20 million THB, whichever is lower. They are according to restrictions set forth by the SET and are retroactive by up to one year.

- (5) Must not over the past two years have served as an external auditor for PTTGC, its subsidiaries, affiliates companies, major shareholders, or

controlling bodies. Additionally, they may not be a significant shareholder (holding more than 10% of shares including ownership through related persons), controller, or partner of any external auditing office that has work for PTTGC, its subsidiaries, joint ventures, affiliates companies, major shareholders, or controlling bodies.

- (6) Must not have provided professional services including legal or financial services resulting in services fees of more than 2 million THB per year. This includes professional services for not only PTTGC, but also its subsidiaries, affiliates companies, major shareholders, controlling bodies. Additionally, they may not be a significant shareholder in entities that act as controlling bodies or have provided professional services to PTTGC over the past two years.
- (7) Must not be a Director appointed as a representative of PTTGC or its major shareholders, nor be a shareholder in any of PTTGC's major shareholders.
- (8) Must not be related to enterprises that have conflict of interests or work in the same field of business as PTTGC or its subsidiaries. Nor may they be a Director, member of management, employee, staff member, paid consultant, or maintain more than 1% of shares with voting rights in any company that works in the same field of business or that may have a conflict of interest with PTTGC or any of its subsidiaries.
- (9) Must not have any association that may otherwise affect their ability to act as an independent voice concerning PTTGC's business operations.

After being appointed as an Independent Director of PTTGC, the Board of Directors may ask them to make decisions concerning the operations of the Company, its parent company, subsidiaries, affiliates companies, equivalent companies, major shareholders, or controlling bodies. This would be considered helping to make a collective decision, acting as a voice from outside of management.

AS OF DECEMBER 31ST, 2012, PTTGC HAS 9 INDEPENDENT DIRECTORS. THIS MET THE 1-IN-3 REQUIREMENT NEEDED FOR THE BOARD AS PER SEC RESTRICTIONS. THEY ARE AS FOLLOWS:

| NAME | POSITION |
|---|--|
| 1. Police General Sombat Amornvivat | Chairman of the Independent Director Committee Director to the Corporate Governance Committee |
| 2. Mr. Somchai Kuvijitsuwan | Independent Director Chairman of the Audit Committee |
| 3. Mr. Vasin Teeravechyan | Independent Director Chairman of the Nomination and Remuneration Committee |
| 4. Mrs. Raweporn Kuhirun | Independent Director Director to the Audit Committee |
| 5. Air Chief Marshal Somchai Thean-anant | Independent Director Director to the Nomination and Remuneration Committee |
| 6. Mr. Amnuay Preemonwong | Independent Director Director to the Audit Committee |
| 7. Mr. Suthep Liumsirjarern | Independent Director Director to the Risk Management Committee |
| 8. Mr. Kriengkrai Thiennukul | Independent Director Director to the Corporate Governance Committee |
| 9. Police General Sereepisut Tameeyaves * | Independent Director Chairman of the Corporate Governance Committee |

* Resigned from the Board of Directors effective as of January 11th, 2013.

At the Independent Directors Meeting No. 1/2013 on January 18th, 2013, approval was given for the Charter of Independent Directors. This defined the qualifying features, roles, duties, and responsibilities of Independent

Directors in a clear fashion. It made the duties clear, transparent, fair, and in accordance with principles of good corporate governance for the purpose of increasing confidence and credibility among all stakeholders.

SCOPE OF DUTIES AND RESPONSIBILITIES:

Independent Directors must be able to act as a neutral party, safeguarding PTTGC interests for both the Company and its shareholders. The duties and responsibilities towards the Board of Directors are as follows:

- To provide suggestions and opinions to the Board of Directors concerning important issues related to the operations or interests of PTTGC and its shareholders.
- To request for outside consultations if needed, with PTTGC providing the budget for expenses.
- To ensure that PTTGC operates according to all rules and regulations that apply to listed companies and are inclusive of the responsibilities and roles of Independent Directors. This must be done in an appropriate and complete manner.
- To review and make adjustments to the Charter of Independent Directors in an effort to make it more appropriate and up to date.
- To perform other duties as assigned by the Board of Directors, as long as they do not interfere with the independent nature of Independent Directors.

CHIEF EXECUTIVE OFFICER

Mr. Anon Sirisaengtaksin was appointed as PTTGC's Chief Executive Officer during the Board of Directors Meeting No. 4/2012 on April 27th, 2012. This was to be effective as of May 1st, 2012 forward. His candidacy was reviewed and submitted by the Nomination and Remuneration Committee, finding Mr. Anon Sirisaengtaksin to be capable and have the appropriate amount of experience in Company operations. This speaks to his experience in the energy business, the petroleum and petrochemical business, to leadership, and organizational leadership. As such, the Chief Executive Officer will receive remuneration and other benefits befitting the highest level of management in addition to the remuneration he already receives as Director. He will act with the power and management authority representing PTTGC according to policies, plans, and the estimated budget as approved by the Board of Directors.

He will also serve as the highest-ranking executive over PTTGC staff members and various managers.

MANAGEMENT TEAM

A management team has been formed to ensure that PTTGC Company operations are conducted efficiently. It consists of senior management, including the CEO, President and Vice President. Responsibilities of the management team include deciding on the Company's strategies, policies and direction. They will also ensure that management is adhering to the policies of the Board of Directors.

COMPANY SECRETARY

As mandated by the Securities and Exchange Commission Act (No. 4) 2008 Section 89/15, the Board of Directors for PTTGC must have a Company Secretary. The responsibilities of this position, as per this law, include preparing and storing important Company information and documents. This includes the roster of Directors, meeting notices, Board and Shareholders' meeting minutes, the Company's annual reports, and reports of connected transactions of Directors and Executives. Additionally, this person is tasked with preparing meetings for the Board or its shareholders. The Company Secretary also has a responsibility to give counsel related to various laws and regulations that the Board of Directors should be aware of so that the Board of Directors and members of management are able to perform their duties in a way that create the greatest benefit for the Company. The Company Secretary should also arrange training and provide any necessary information to new members of the Board of Directors that might help them perform their duties better. He or she should also supervise and encourage cooperation within the Company to closely comply with all related laws, restrictions, and resolutions in a full and accurate fashion. Mrs. Walaiporn Puspavesa, Vice President of the Corporate Secretary, was appointed as PTTGC's Secretary through a resolution signed at Board of Directors Meeting No. 1/2011 on October 19th, 2011.

BOARD MEETINGS AND COMPENSATION OF 2012

IN 2012, THE BOARD OF DIRECTORS, SUB-COMMITTEES, AND INDEPENDENT DIRECTORS MET ACCORDING TO THE FOLLOWING CHART:

| NAME | MEETINGS IN 2012 | | | | | |
|--|------------------------------------|---|--------------------------------|---|--|---|
| | BOARD OF DIRECTORS MET 12 TIMES | INDEPENDENT DIRECTOR COMMITTEE MET 1 TIME | AUDIT COMMITTEE MET 8 TIMES | NOMINATION AND REMUNERATION COMMITTEE MET 4 TIMES | CORPORATE GOVERNANCE COMMITTEE MET 7 TIMES | RISK MANAGEMENT COMMITTEE MET 6 TIMES |
| 1. Mr. Prasert Bunsumpun Chairman | 12/12 | | | | | |
| 2. Police General Sereepisut Tameeyaves* Independent Director Chairman of the Corporate Governance Committee | 11/12 | -/1 | | | 7/7 | |
| 3. Mr. Somchai Kuvijitsuwan Independent Director Chairman of the Audit Committee | 10/12 | 1/1 | 8/8 | | | |
| 4. Mr. Prajya Phinyawat Director | 12/12 | | | | | |
| 5. Mr. Vasin Teeravechyan Independent Director Chairman of the Nomination and Remuneration Committee | 10/12 | 1/1 | | 4/4 | | |
| 6. Mrs. Raweporn Kuhirun Independent Director Director to the Audit Committee | 12/12 | 1/1 | 8/8 | | | |
| 7. Police General Sombat Amornvivat Independent Director Director to the Corporate Governance Committee | 10/12 | 1/1 | | | 6/7 | |
| 8. Air Chief Marshal Somchai Thean-anant Independent Director Director to the Nomination and Remuneration Committee | 12/12 | 1/1 | | 4/4 | | |
| 9. Mr. Amnuay Preemonwong Independent Director Director to the Audit Committee | 12/12 | 1/1 | 8/8 | | | |
| 10. Mr. Suthep Liumsirjarern Independent Director Director to the Risk Management Committee | 12/12 | 1/1 | | | | 6/6 |
| 11. Mr. Kriengkrai Thiennukul Independent Director Director to the Corporate Governance Committee | 11/12 | 1/1 | | | 7/7 | |
| 12. Mr. Nuttachat Charuchinda Director Director to the Nomination and Remuneration Committee | 11/12 | | | 4/4 | | |
| 13. Mr. Sukrit Surabotsopon Director Chairman of the Risk Management Committee | 12/12 | | | | | 6/6 |
| 14. Mr. Bowon Vongsinudom Director Director to the Corporate Governance Committee Director to the Risk Management Committee | 12/12 | | | | 7/7 | 6/6 |
| 15. Mr. Anon Sirisaengtaksin** Director and Secretary to the Board of Directors | 8/8 | | | | | |
| 16. Mr. Veerasak Kositpaisal*** Director and Secretary to the Board of Directors | 4/4 | | | | | |

Note : * Police General Sereepisut Tameeyaves resigned from the Board on January 11th, 2013

** Mr. Anon Sirisaengtaksin was appointed through resolution at Board of Directors Meeting No. 4/2012 on April 27th, 2012.
In replacement of Mr. Veerasak Kositpaisal as Director and Secretary to the Board of Directors effective May 1st, 2012.

*** Mr. Veerasak Kositpaisal resigned from the Board on May 1st, 2012.

BOARD COMPENSATION

At the 2012 PTT Global Chemical Public Company Limited's Annual General Meeting of Shareholders, held on April 2nd, 2012, approval was given to compensation and bonuses for members of the Board of Directors and Sub-Committees for their performance in 2011 (from October 19th, 2011 - December 21st, 2011) as follows:

- (1) Compensation for the Board of Directors and Sub-Committees as of April 2nd, 2012 can be seen below:

| REMUNERATION | RATE |
|--|--|
| 1. Directors' Compensation <ul style="list-style-type: none"> Monthly Compensation Compensation for Meeting attendance | Monthly Compensation <ul style="list-style-type: none"> Chairman 60,000 THB / Month Director 50,000 THB / Month |
| | Compensation for Meeting Attendance <ul style="list-style-type: none"> No Compensation |
| 2. Sub-Committee Directors' Compensation <ul style="list-style-type: none"> Audit Committee Nomination and Remuneration Committee Corporate Governance Committee Risk Management Committee | Compensation for Meeting Attendance <ul style="list-style-type: none"> - Chairman 50,000 THB / Meeting Attendance - Director 40,000 THB / Meeting Attendance |

- (2) Director bonuses for business profits in 2011 were determined by the Board of Directors to reflect the performance of each Committee. Criteria was based on similar criteria used in businesses within the industry. They were awarded in the amount of 6.34 million THB, or 0.3% of total net profit for the period of October 19th, 2011 to December 31st, 2011. After the Company amalgamation, at the 2012 Annual General Meeting of Shareholders, a resolution was made to approve a bonus for Directors.

It was calculated according to the time served in 2011, and determined that the Chairman should receive a bonus 25% higher than other Directors.

PTTGC DIRECTOR COMPENSATION IN 2012

| NAME | MONTHLY COMPENSATION FOR PTTGC DIRECTORS (THB) | COMPENSATION FOR MEETING ATTENDANCE OF SUB-COMMITTEES (THB) | | | | 2012 BONUSES* (THB) | TOTAL (THB) |
|--|--|---|---------------------------------------|--------------------------------|---------------------------|---------------------|--------------|
| | | AUDIT COMMITTEE | NOMINATION AND REMUNERATION COMMITTEE | CORPORATE GOVERNANCE COMMITTEE | RISK MANAGEMENT COMMITTEE | | |
| 1. Mr. Prasert Bunsumpun | 720,000 | - | - | - | - | 528,571.47 | 1,248,571.47 |
| 2. Police General Sereepisut Tameeyaves | 600,000 | - | - | 300,000 | - | 422,857.14 | 1,322,857.14 |
| 3. Mr. Somchai Kuvijitsuwan | 600,000 | 400,000 | - | - | - | 422,857.14 | 1,422,857.14 |
| 4. Mr. Prajya Phinyawat | 600,000 | - | - | - | - | 291,428.57 | 891,428.57 |
| 5. Mr. Vasin Teeravechyan | 600,000 | - | 150,000 | - | - | 422,857.14 | 1,172,857.14 |
| 6. Mrs. Raweporn Kuhirun | 600,000 | 320,000 | - | - | - | 422,857.14 | 1,342,857.14 |
| 7. Police General Sombat Amornvivat | 600,000 | - | - | 200,000 | - | 422,857.14 | 1,222,857.14 |
| 8. Air Chief Marshal Somchai Thean-anant | 600,000 | - | 120,000 | - | - | 422,857.14 | 1,142,857.14 |
| 9. Mr. Amnuay Preemonwong | 600,000 | 320,000 | - | - | - | 422,857.14 | 1,302,857.14 |
| 10. Mr. Suthep Liumsirjarern | 600,000 | - | - | - | 200,000 | 422,857.14 | 1,222,857.14 |
| 11. Mr. Kriengkrai Thiennukul | 600,000 | - | - | 240,000 | - | 422,857.14 | 1,262,857.14 |
| 12. Mr. Nuttachat Charuchinda | 600,000 | - | 120,000 | - | - | 422,857.14 | 1,142,857.14 |
| 13. Mr. Sukrit Surabotsopon | 600,000 | - | - | - | 250,000 | 422,857.14 | 1,272,857.14 |
| 14. Mr. Bowon Vongsinudom** | 600,000 | - | - | 240,000 | 200,000 | 422,857.14 | 1,462,857.14 |
| 15. Mr. Anon Sirisaengtaksin**/** | 400,000 | - | - | - | - | - | 400,000.00 |

Directors whose Resigned and Received Compensation Between 2011-2012 are as follows:

| | | | | | | | |
|---|-----------|-----------|---------|---------|---------|------------|------------|
| 1. Mr. Veerasak Kositpaisal**/ **** | 200,000 | - | - | - | - | 422,857.14 | 622,857.14 |
| 2. Mr. Chitrapongse Kwangsukstith ***** | - | - | - | - | - | 22,857.14 | 22,857.14 |
| Total | 9,120,000 | 1,040,000 | 390,000 | 980,000 | 650,000 | 6,340,000 | 18,480,000 |

Note: * PTTGC paid a bonus for 2011 profits to the Board of Directors in 2012
 ** Shows the remuneration for Directors, not members of management
 *** Mr. Anon Sirisaengtaksin assumed his position effective May 1st, 2012
 **** Mr. Veerasak Kositpaisal resigned his position effective May 1st, 2012
 ***** Mr. Chitrapongse Kwangsukstith resigned his position effective October 22nd, 2011 and Mr. Prajya Phinyawat replaced him effective November 11th, 2011

COMPENSATION TO DIRECTORS OF MAJOR SUBSIDIARIES

Directorships in PTGC subsidiaries are held to better supervise the business interests of PTGC and its subsidiaries, ensuring they operate according to the PTGC Group's policies. Therefore, appropriate compensation was provided to Directors in major subsidiaries in 2012 as follows:

➤ PTT Polyethylene Company Limited (PTTPE) (A Wholly-Owned Subsidiary of PTGC)

| NAME | POSITION | COMPENSATION (THB) |
|---|--|--------------------|
| 1. Mr. Anon Sirisaengtaksin | Chairman | 144,516.12 |
| 2. Mr. Bowon Vongsinudom | Director and Secretary to the Board of Directors | 182,419.35 |
| 3. Mr. Prajya Phinyawat (Resigned March 24 th , 2012) | Director | 54,838.71 |

➤ Bangkok Polyethylene Public Company Limited (BPE) (A Wholly-Owned Subsidiary of PTGC)

| NAME | POSITION | COMPENSATION (THB) |
|----------------------|---------------|--------------------|
| Mr. Prajya Phinyawat | Vice Chairman | 480,000 |

➤ NPC Safety and Environmental Service Company Limited (NPC S&E) (A Wholly-Owned Subsidiary of PTGC)

| NAME | POSITION | COMPENSATION (THB) |
|-----------------------|----------|--------------------|
| Mr. Bowon Vongsinudom | Chairman | 206,896.55 |

➤ PTT Chemical International Private Limited (CH Inter) (A Wholly-Owned Subsidiary of PTGC)

| NAME | POSITION | COMPENSATION (SINGAPORE DOLLARS) |
|---|----------|----------------------------------|
| 1. Mr. Anon Sirisaengtaksin (Replaced Mr. Veerasak Kositpaisal in June 2012) | Chairman | 15,000 |
| 2. Mr. Bowon Vongsinudom (Assumed position in September 2012) | Director | 6,667 |

➤ PTT Phenol Company Limited (PPCL) (60% owned by PTGC)

| NAME | POSITION | COMPENSATION (THB) |
|--|----------|--------------------|
| Mr. Anon Sirisaengtaksin (Replaced Mr. Veerasak Kositpaisal in July 2012) | Chairman | 180,000 |

➤ PTT Utility Company Limited (PTTUT) (60% owned by PTTGC)

| NAME | POSITION | COMPENSATION (THB) |
|-----------------------|----------|--------------------|
| Mr. Bowon Vongsinudom | Director | 200,000 |

Note : On January 10th, 2013 : PTTUT and Independent Power (Thailand) Company Limited (IPT) amalgamated into Global Power Synergy Limited (GPSC)

➤ PTT Maintenance and Engineering Company Limited (PTTME) (60% owned by PTTGC)

| NAME | POSITION | COMPENSATION (THB) |
|-----------------------|----------|--------------------|
| Mr. Bowon Vongsinudom | Chairman | 240,000 |

➤ Thai Tank Terminal Limited (TTT) (51% owned by PTTGC)

| NAME | POSITION | COMPENSATION (THB) |
|-----------------------|----------|--------------------|
| Mr. Bowon Vongsinudom | Director | 240,000 |

➤ Emery Oleochemicals (M) Sdn Bhd (Emery) (owned 50% by PTTGC)

| NAME | POSITION | COMPENSATION (SINGAPORE DOLLARS) |
|---|----------|----------------------------------|
| Mr. Anon Sirisaengtaksin (Replaced Mr. Veerasak Kositpaisal since July 2012) | Chairman | 66,320 |

PTTGC DIRECTORS OWNERSHIP OF SHARES

| NAME | AS OF DECEMBER 31 ST , 2011 PAID CAPITAL OF 45,061,129,360 THB | AS OF DECEMBER 31 ST , 2012 PAID CAPITAL OF 45,088,491,170 THB | CHANGE INCREASE / (DECREASE) (# OF SHARES) |
|--|---|---|---|
| | OWNERSHIP STAKE / NUMBER OF SHARES | OWNERSHIP STAKE / NUMBER OF SHARES | |
| 1. Mr. Prasert Bunsumpun Chairman | 0.006017% 271,142 | 0.006013% 271,142 | - |
| 2. Police General Sereepisut Tameeyaves (Resigned on January 11 th , 2013) | - | - | - |
| 3. Mr. Somchai Kuvijitsuan Independent Director | - | - | - |
| 4. Mr. Prajya Phinyawat Director | 0.006627% 298,645 (Spouse owns 12,953) | 0.004583% 206,645 (Spouse owns 12,953) | (92,000) |
| 5. Mr. Vasin Teeravechyan Independent Director | - | - | - |
| 6. Mrs. Raweporn Kuhirun Independent Director | - | - | - |
| 7. Police General Sombat Amornvivat Independent Director | - | - | - |
| 8. Air Chief Marshal Somchai Thean-anant Independent Director | - | - | - |
| 9. Mr. Amnuay Preemonwong Independent Director | - | - | - |
| 10. Mr. Suthep Liumsirjarern Independent Director | - | - | - |
| 11. Mr. Kriengkrai Thiennukul Independent Director | - | - | - |
| 12. Mr. Nuttachat Charuchinda Director | 0.000001% 54 | 0.000001% 54 | - |
| 13. Mr. Sukrit Surabotsopon Director | - | - | - |
| 14. Mr. Bowon Vongsinudom * Director | 0.004968% 223,868 | 0.004965% 223,868 | - |
| 15. Mr. Anon Sirisaengtaksin * Director and Secretary to the Board of Directors | 0.001686% 76,010 (Spouse owns 6,705) | 0.001686% 76,027 (Spouse owns 6,705 shares) | 17 |

Note : Received full rights to exercise ESOP Warrant PITAR ended on October 15th, 2012

MANAGEMENT

List of PTGTC Managers as defined by the SEC and their shareholdership as of December 31st, 2012:

| NAME | AS OF DECEMBER 31 st , 2011 PAID CAPITAL OF 45,061,129,360 THB | AS OF DECEMBER 31 st , 2012 PAID CAPITAL OF 45,088,491,170 THB | CHANGE INCREASE / (DECREASE) (# OF SHARES) |
|---|---|---|---|
| | OWNERSHIP STAKE / NUMBER OF SHARES | OWNERSHIP STAKE / NUMBER OF SHARES | |
| 1. Mr. Anon Sirisaengtaksin* Chief Executive Officer | 0.001686% 76,010 (Spouse owns 6,705 shares) | 0.001686% 76,027 (Spouse owns 6,705 shares) | 17 |
| 2. Mr. Bowon Vongsinudom* President | 0.004968% 223,868 | 0.004965% 223,868 | - |
| 3. Mr. Dhanes Charoensupaya Executive Vice President Strategic Execution and Excellence | 0.001951% 87,917 | 0.001994% 87,917 | - |
| 4. Mrs. Puntip Oungpasuk Executive Vice President Corporate Strategy | 0.003515% 158,389 (Spouse owns 25,065 shares) | 0.003512% 158,389 - | - (25,065) |
| 5. Mr. Patiparn Sukornthaman Executive Vice President Finance & Accounting | - | - | - |
| 6. Mr. Varit Namwong Executive Vice President Organization Effectiveness | 0.001523% 68,639 | 0.002416% 108,939 | 40,300 |
| 7. Mrs. Thasnalak Santikul Executive Vice President Corporate Affairs | 0.000002% 119 | 0.000002% 119 | - |
| 8. Mrs. Sriwan Eamrungraj Executive Vice President Marketing, Commercial and Supply | 0.000172% 7,772 | - | (7,772) |
| 9. Mr. Kun Patumraj Executive Vice President Engineering and Maintenance | 0.002543% 114,629 | 0.002542% 114,629 | - |
| 10. Mr. Suvit Tinnachote Executive Vice President Group Performance Center - Olefins | 0.002132% 96,086 (Spouse owns 24,313 shares) | 0.002131% 96,086 (Spouse owns 24,313 shares) | - |
| 11. Mr. Narong Bunditkamol Executive Vice President Group Performance Center - Aromatics | 0.000689% 31,084 (Spouse owns 31,084 shares) | 0.000689% 31,084 (Spouse owns 31,084 shares) | - |
| 12. Mr. Pomtep Butniphant Executive Vice President Group Performance Center - Refinery and Shared Facilities | 0.002543% 114,629 | 0.002542% 114,629 | - |
| 13. Mr. Athavudhi Hirunburana Executive Vice President Polymers Business Unit | 0.000377% 16,991 (Spouse owns 23,139 shares) | 0.000376% 16,991 (Spouse owns 25,000 shares) | - 1,861 |
| 14. Mr. Sermsak Sriyaphai Executive Vice President EO-Based Performance Business Unit | 0.000002% 97 | 0.000002% 97 | - |
| 15. Mr. Vanchai Tadadoltp Executive Vice President Green Chemicals Business Unit | 0.002125% 95,763 | 0.002122% 95,716 | (47) |
| 16. Mr. Kongkrapan Intarajang Executive Vice President | - | - | - |

Note : * Received full rights to exercise ESOP Warrant PTTAR ended on October 15th, 2012

CHANGES IN MANAGEMENT IN 2012

- 1.) Mr. Anon Sirisaengtaksin assumed position of Chief Executive Officer effective May 1st, 2012, onwards by resolution from the Board of Directors Meeting No. 4/2012 on April 27th, 2012.
- 2.) Mr. Dhanes Charoensupaya assumed position of Executive Vice President, Strategic Execution and Excellence. This was made effective December 1st, 2012 onwards by resolution from the Board of Directors Meeting No.10/2012 on October 26th, 2012.
- 3.) Mr. Kongkrapan Intarajang assumed position of Executive Vice President of the Office of the Chief Executive Officer effective November 1st, 2012 onwards by resolution from the Board of Directors Meeting No. 4/2012 on October 26th, 2012.

The Company's Executives, from Deputy Managing Directors to the Chief Executive Officer, will receive their appointments as per resolutions decided by majority vote from the following three Directors. They include Mr. Anon Sirisaengtaksin, Mr. Bowon Vongsinudom and Ms. Sriwan Eamrunroj, a member of PTT's senior management who has been assigned to work with PTTGC.

COMPENSATION FOR MANAGEMENT IN 2012

| COMPENSATION 2012 | NUMBER OF PEOPLE | AMOUNT OF MONEY (THB) |
|------------------------------|------------------|-----------------------|
| Total Monthly Salary | 15 | 51,788,900.00 |
| Special Awards | 15 | 25,671,913.50 |
| Provident Fund Contributions | 15 | 9,478,231.76 |
| Total | 15 | 86,939,045.26 |

DIRECTORS OF SUBSIDIARIES / JOINT / ASSOCIATED / RELATED COMPANIES

| NO. | NAME | SUBSIDIARIES | | | | | | | | | | | | JOINT / ASSOCIATED / RELATED COMPANIES | | | | | | | | | | |
|-----|---------------------------------------|--------------|-------|-----|---------|----------|---------------------|--------|------|-------|-----|-------|----------|--|-------|-----|------|-----|------|-----|-----|-------|-------------------|------|
| | | PTTGC | PTTPE | BPE | NPC S&E | CH INTER | PTTGC (Netherlands) | AP ROH | PPCL | PTTME | TTT | Emery | Vencorex | PTT | PTTEP | BCP | IRPC | TOP | GPSC | VNT | TLB | PTTAC | PTT International | SPRC |
| 1 | Mr. Prasert Bunsumpun | x | | | | | | | | | | | | | | | X// | | | | | | | |
| 2 | Pol. Gen. Sereepisut Tameeyaves | / | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Mr. Somchai Kuvijitsuwan | / | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Mr. Prajya Phinyawat | / | | / | | | | | | | | | | | / | | | | | | / | X | | |
| 5 | Mr. Vasin Teeravechyan | / | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Mrs. Raweporn Kuhirun | / | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Pol. Gen. Sombat Amornvivat | / | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Air Chief Marshal Somchai Thean-anant | / | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Mr. Amnuay Preemonwong | / | | | | | | | | | | | | | | | | | | | | | | |
| 10 | Mr. Suthep Liumsirjareen | / | | | | | | | | | | | | | | | | | | | | | | |
| 11 | Mr. Kriengkrai Thiennukul | / | | | | | | | | | | | | | | | | | | | | | | |
| 12 | Mr. Nuttachat Charuchinda | / | | | | | | | | | | | | // | | / | | / | | | | | | |
| 13 | Mr. Sukrit Surabotsopon | / | | | | | | | | | | | | // | | | | | | | | | / | / |
| 14 | Mr. Bowon Vongsinudom | / | // | | X | / | / | / | X | / | | | | // | | | | / | | | | | | |
| 15 | Mr. Anon Sitsaengtaksin | / | X | | | X | / | X | X | | X | / | | // | | | | | / | / | | | | |

Remarks : / = Director // = Executive x = Chairman

[illegible]

| SUBSIDIARIES | | | JOINT COMPANIES | | | ASSOCIATED / RELATED COMPANIES | | |
|--------------------|---|--|-----------------|---|--|--------------------------------|---|---|
| PTPE | = | PT Polyethylene Company Limited | PTGC (USA) | = | Myrant | PTT | = | PTT Public Company Limited |
| | = | Bangkok Polyethylene Public Company Limited | AP ROH | = | PTTCT | PTTEP | = | PTT Exploration and Production Public Company Limited |
| BPE | | | | | GRSC | | | |
| | | | | | PTPM | | | |
| TSC | = | Thal Styrenics Company Limited | PPCL | = | PT Phenol Company Limited | BCP | = | Bangkok Petroleum Public Company Limited |
| | = | TOC Glycol Company Limited | PTME | = | PT Maintenance and Engineering Company Limited | | | |
| TOGC | | | | | VNT | | | |
| | | | | | EFT | | | |
| TOL | = | Thal Oleochemicals Company Limited | | | PTES | IRPC | = | RPC Public Company Limited |
| | = | Thal Fatty Alcohol Company Limited | TTT | = | Thal Tank Terminal Limited | | | |
| TFA | | | | | | TOP | = | Thal Oil Public Company Limited |
| | = | Bio Creation Company Limited | TEX | = | Thal Ethoxylate Company Limited | TLB | = | Thal Lube Base Public Company Limited |
| NRC S&E | = | NRC Safety and Environmental Service Company Limited | Enery | = | Enery Oleochemicals (M) Sdn Bhd | PTAC | = | PTT Asahi Chemical Company Limited |
| | | | Vencorex | = | Vencorex Holding (formerly known as | | | |
| CH Inter | = | PTT Chemical International Private Limited | | | OTHERS | PTI International | = | PTI International Company Limited |
| | = | PTTGC International (Netherlands) B.V. | Natureworks | = | API | HMC | = | HMC Polymers Company Limited |
| PTGC (Netherlands) | | | | | | SPRC | = | Star Petroleum Refining Company Limited |
| | | | | | | | | |



SUSTAINABLE DEVELOPMENT

SUSTAINABLE DEVELOPMENT

MISSION FOR SUSTAINABLE DEVELOPMENT

As the industry leader in petrochemical and chemicals producer, PTTGC strives to achieve sustainable growth and social responsibility with “Shaping the Social Sustainability” concept. We realize that good quality of life, health, safety and modern-day conveniences can be obtained while minimizing their impact on the environment and fulfilling the demands of emerging markets at the same time. This adds value to domestic raw materials, as well as provides effective resource management, which contributes to the benefit of society and Thai people.

The mission was established by PTTGC Group’s Corporate Social Responsibility Committee, to establish policies and working guidelines regarding sustainable development - the area for which the Company aspires to be a role model.

OPERATION PLAN

PTTGC’s establishment of sustainable development operational guidelines is based on internationally accepted operation frameworks. The guidelines then are adapted to suit the dynamic nature of the industry, as well as the expectations of stakeholders. The guidelines are created with the primary aim to strike a balance between the Company’s business growth, social development and environment preservation in order to ensure that the businesses and the society will continue to co-exist harmoniously in a sustainable manner.

ECONOMIC GROWTH

Economic and population growth inevitably increases the demands for both basic necessities and products that help enhance quality of life. As the country’s leading manufacturer of petrochemical and chemicals products, PTTGC is aware of its role in developing products that lessen environmental impact and dependence on fossil fuel. The Company also promotes the use of recyclable materials and environmentally-safe manufacturing

processes, as well as the efficient use of energy and the invention of new technologies which yield economic benefits, leading to mutual gain for society.

Additionally, PTTGC focuses on economic and social development in locations where the Company conducts business. Well aware of the responsibility toward local communities, the Company aims to help them realize their potential and uplift them toward an international level. The Company also conforms to various international standards including the United Nations Millennium Development Goals (MDGs), the United Nations Global compact Advanced Level, the ISO26000 international standard, and the Global Reporting Initiatives A+ report at the highest level. Hence PTTGC has been ranked in the Second Quartile Performance of Dow Jones Sustainability Indexes within the chemical sector.

SOCIAL DEVELOPMENT

One of the core policies of PTTGC is to contribute continuously to sustainable social development, and this policy is upheld through various social contribution projects the Company has undertaken. The Company realizes the importance of working in cooperation with partners to garner more participation from virtually all stakeholders of the Company such as investors, shareholders, customers, employees and business partners, for the mutual benefits of society.

PTTGC’s mission concerns several key areas of development such as environment preservation, youth development, education, health, welfare and public benefits.

EDUCATION

Volunteer Teachers project, Education Guidance project, University Life Introduction project, Satellite Long-Distance Education project, For Hopeful Children Project and Project to offer robes to Buddhist priests at a monastery in support of a Dhamma study of novice monks of Monkhonsamakkhi Thammochai Temple (Khao Sap)

HEALTH AND WELFARE

Mobile Medical Unit project, School Medicine Box project, Helping cancer patient - Sewing Cup Heart project and Community Partnership Project

OCCUPATIONAL PROMOTION IN COMMUNITY

Luffala Soap, a project to generate sustainable income for local communities

ENVIRONMENT PRESERVATION

Khao Huai Ma Haad forest and water conservation project in cooperation with Chak Luk Ya community, Rayong province and Kasetsart University, Plastic Flapped Sack used to prevent landslides, a cooperation with Chaipattana Foundation and Water management project in Rayong Province, in cooperation with the Hydro and Agro Informatics Institute (Public Organization)

PUBLIC BENEFITS

Project to encourage people of the same birth months to help each other, For Hopeful Children Project, Cultural Promotion project at Khao Sap temple, Plastic Flapped Sack used to prevent landslides, a cooperation with Chaipattana Foundation and Project to assist victims of natural disasters such as floods, famine and storms

ENVIRONMENT PROTECTION AND CONSERVATION

Energy is vital for modern-day convenience and quality of life and striking the right balance between meeting ever-increasing energy demands and managing limited resources is both a challenge and a promise for PTTGC. The Company is determined to achieve steady business growth, as well as, to minimize impact on the environment.

The Company has strictly complied with established standards, guidelines and laws regarding safety, occupational health and the environment, as well as the environmental management standard of ISO 14001 certification.

The Company's vision is to promote sustainable environmental management, and it has therefore established a 'Proactive Environmental Management' plan with details as the following.

- To implement advanced technologies that contributes to enhancing production capabilities. This helps to ensure maximum benefits of available resources, effective greenhouse gas management, air quality management, water management and industrial waste management to significantly reduce environmental impact.
- To conduct continuous research and development work to achieve products and/or processes with less environmental impact. Life Cycle Management yields the ability to produce more environmentally friendly products.
- To raise the awareness on and encourage behavioral changes for environmental conservation within the Company through activities promoting energy conservation and using natural resources in an effective manner.
- To contribute to sustainable environmental and natural resources restoration and conservation. The Company's forests and water restoration project of Khao Huai Ma Haadhas received the prestigious "Platts Global Energy Awards 2012".

PTTGC'S SUSTAINABLE DEVELOPMENT EFFORTS ARE ONGOING AND NEVER-ENDING. THEY REPRESENT THE COMPANY'S GENUINE DETERMINATION TO THE IMPROVEMENT OF THE QUALITY OF LIFE OF PEOPLE, AS WELL AS, ITS SINCERE INTENTION TO GROW TOGETHER WITH SOCIETY IN A BALANCED AND SUSTAINABLE MANNER IN THE LONG TERM.



OCCUPATIONAL HEALTH, SAFETY, AND ENVIRONMENTAL MANAGEMENT

PTTGC has operated its business by following the policy on quality, security, safety, occupational health and environmental in compliance with international standards based on corporate governance policies. In addition, other environmental standards, as well as applicable rules and regulations, and relevant laws have also been strictly adhered to. Such business practices have contributed not only to the business success of PTTGC but also to winning a number of prestigious awards and accolades which embody the determination of PTTGC to drive the business to excellence, now and into the future.

POLICIES ON QUALITY, SECURITY, OCCUPATIONAL HEALTH, SAFETY, AND THE ENVIRONMENTAL

PTTGC has strived to become a leading company in the chemical industry as well as an organization of innovation. Great importance has also been placed on the Company's responsibilities to society and the community by continuously developing quality, security, occupational health, safety, and environmental preservation. To achieve this goal, the following policies were determined.

1. To abide by laws on security, occupational health, safety, and the environmental as well as other applicable standards and regulations.
2. To administer overall organizational quality through quality administrative tools, knowledge management and productivity enhancement, in order to respond to customers' satisfaction and develop environmentally friendly innovations.
3. To manage risks, prevent danger, work-induced illnesses, accidental losses, injuries, and damage to property. At the same time, the B-CAREs safety culture has been embedded to achieve safety and zero accident for all involved.
4. To realize security measures to protect people's lives, as well as the property and information of the Company.
5. To ensure good occupational health and a healthy working environment, while promoting the wellbeing of all staff members.
6. To assess and reduce environmental impact by focusing on improvement and prevention at the source including efficient use of resources.

Executives at all levels of PTTGC have established themselves as examples with the responsibility of developing and maintaining the quality, occupational health, safety, and environmental (QSHE) management system, as well as ensuring that all employees too have adopted this policy. This is achieved by supporting adequate resources and a communication system which enlists cooperation from everyone involved.

Operating results as regards occupational health, safety, and environmental management in 2012 can be summarized as follows:

1. SAFETY MANAGEMENT

PTTGC has placed emphasis on the safety of both employees and contractors. This is managed by instilling in them an awareness of their own safety as well as that of their colleagues under the "B-CAREs safety culture - safe Behaviors, Care for others, and Stop when unsafe". Aiming to become an organization that is free from work accidents and injuries, PTTGC has conducted its business along with the implementation of occupational health, safety, and environmental management measures, as well as efficient Process Safety Management and contractors' safety management. As a consequence, plants operated by PTTGC received an Outstanding Establishment Award in occupational health, safety, and work environment at the national level for its 15th consecutive year (1998-2012), and received an Excellence in Industry Award 2012 for Safety Management (Prime Minister's Award) presented by the Ministry of Industry. These awards are sound guarantee of the Company's safety management efficiency.

Top executives have also placed great importance on creating awareness of occupational health, safety, and the environment. An event to promote the awareness of such aspects or “the SHE Day” has thus been organized every year in this regard. Activities featured in the event include a talk on the significance of occupational health, safety, and the environment given by the Chief Executive Officer and the President. Additionally, an award ceremony is held to honor outstanding employees whose performances exemplified how to work safely and in an environmentally-conscious manner. Also, an exhibition contest is staged by various departments to widely exchange knowledge, as well as promote their participation in the Company’s success regarding occupational health, safety, and the environment for which it ranked in the Top 25% (first quartile) in 2012 in the global arena.

Process Safety Management also plays an important role in this regard. Each item engaging in a process is designed and passed through the Process Hazard Analysis even prior to the construction phase for safety assurance of surrounding communities. PTTGC has operated a Contractor Safety Management system by selecting highly-skilled and safety-conscious contractors. In addition, tests and training sessions concerning safety have been organized for both employees and contractors on a regular basis. If any modification is due to occur in a process, a Hazard and Operability Study (HAZOP) and Management of Change will be conducted in a systematic way prior to the modification or construction and machine operation. Then, all equipment in the process will undergo the Pre Start-Up and Safety Review conducted by an engineering expert for permission to start the operation. Furthermore, anyone performing their work within the production area must be granted a Permit to Work and conduct communications in compliance with the safety measures prior to commencement of any work function.

PTTGC joined with a group of industrial plants in Map Ta Phut Industrial Estate in undergoing provincial-level emergency drills and evacuation drills of communities surrounding the RIL Industrial Estate. In addition, its competent employees with expertise in suppressing and responding to any state of emergency were assigned to join with the governor of Rayong province, Voluntary Civil Emergency, Relief Center Rayong, Map Ta Phut municipality, and a group of plants in Map Ta Phut, in helping nearby communities set and undergo emergency drills as a preparation to handle any possible accidents which could occur and affect them.

The capability to clean up oil spills at sea is another important issue attended to by PTTGC. Such an activity as Rayong Oil Spill Emergency Response is practiced in collaboration with the Oil Industry Environmental Safety Group Association (IESG) and other relevant government sectors, such as the Harbour Department and the Royal Thai Navy. This is conducted to test the efficacy of an emergency response plan as well as an oil spill clean-up operation and the system to communicate to nearby communities. PTTGC is also a member of the Emergency Mutual Aid Group (EMAG), which participated in drafting the emergency action plans of Rayong province and Map Ta Phut Industrial Estate.

2. OCCUPATIONAL HEALTH MANAGEMENT

PTTGC highly values the health of employees, particularly those operating in production processes. Therefore, check-up programs for existing employees have been regularly conducted with a focus on those whose duties involved exposure to hazardous substances, as a proactive approach to employees’ health monitoring. In addition, regulatory industrial hygiene measures have been implemented at all operational areas, covering heat, light, sound and chemicals. The acquired data is used to develop safe working condition and applied to the Health Risk Assessment to review the measures for

prevention of work-induced illnesses. Apart from promoting healthcare for employees, two Pan Nam Jai Clinics (Shared Heart Clinics) have been established, located at Branch 5 Aromatics Plant 2, and Nong Fap community near the PTTPE's Olefins 3 plant. Both clinics provide expert treatment to people in nearby communities at no cost with an operational budget of approximately 4 Million Baht per year. Additionally, in collaboration with the Community Partnership Association, a mobile doctor unit is initiated to provide basic check-ups and healthcare knowledge to people in 34 communities surrounding Map Ta Phut Industrial Estate. Our admirable public-minded staff members volunteer to help in this activity even on public holidays.

In response to the flu epidemic which has occurred in Thailand on a yearly basis, Influenza Vaccination has been provided to all employees and contractors directly hired by PTTGC at no cost. The Company's concerns also reached out to their family members, who could have the vaccination at a budget price.

3. ENVIRONMENTAL MANAGEMENT

PTTGC has strictly followed all environmental standards, laws and regulations. The environmental administration and management system conforming to the international standard ISO 14001, has been used as a fundamental standard in operations, coupled with Proactive Environmental Management in operating the Company's business in the long term.

The prevention of environmental impact is also given great importance. A stringent set of prevention and control measures is established in this regard. This covers every aspect, from the pre-startup designing phase, thoroughly studying potential environmental impact from each project in the Environmental Impact

Assessment (EIA), to setting out measures to prevent and mitigate the impact. Suitable measures to monitor the quality of the environment are to be strictly followed in each project. These measures must be submitted to the responsible government agency to seek approval prior to the commencement of work.

PTTGC initiates a Synergy Project by bringing Offgas from refineries to use as a raw material at Olefins plants. This is a significant project which allows an optimum use of natural resources. In addition, the Eco-Efficiency Indicators are applied to environmental activities in a systematic and continuous manner. These indicators include water consumption, energy consumption, wastewater generation, global warming contribution, and the emission of ozone depleting substances. The application of Eco-Efficiency Indicators is aimed to improve the optimal use of resources while minimizing environmental impact from all plant manufacturing activities and processes. All in all, PTTGC can ensure that its businesses are environmentally-friendly and positively contribute to the country's economy as well as environmental management as a whole in the present and into the future.

To ensure sustainable development, the zero-waste-to-landfills goal was jointly set among PTTGC Group. In addition to environmental management, the goal, which is due to be completed in 2015, has been conducted strictly in line with applicable laws and covered all the plants' processes and activities. In order to achieve this goal, the 3Rs principle guidelines have been implemented in conjunction with the use of suitable innovation technologies. They include Reducing waste at the source, Reusing waste and Recycling waste, both inside and outside the plants. PTTGC also supports the conduct of research and development to seek ways to increase waste value, which is part of the

Eco-Industry development guidelines. Furthermore, PTTGC has voluntarily stipulated and implemented other measures in addition to the requirement by law. These included the establishment of stringent criteria for selecting industrial waste management companies. In other words, these selected companies must employ a proper method of waste disposal which is practical and effective, as well as, install a GPS system on all trucks that transport hazardous waste from the plants in order to avoid illegal dumping, and make the optimal use of waste which can no longer be reused in the plants. Furthermore, PTTGC has provided staff with knowledge and training concerning the environment with environmental management being communicated to new staff during orientation. Also, a knowledge refresher through staff training is organized every two years, and environmental knowledge has been embedded into meetings as well as occasions such as the meeting of the Safety Committee, the meeting of the Welfare Committee and department workshops. As for other special activities such as a major maintenance event, additional training sessions to provide knowledge about environmental management have been held to educate all contractors involved in the operation before they commence their work. All contractors are required to take a safety induction course, which also contains environmental issues, as a reminder of safety precautions in their daily work.

In response to international market demands, PTTGC has conducted a carbon footprint of product study. To date, a combined total of 47 grades of complete high density polyethylene (HDPE), ethylene oxide and ethylene glycol products have been certified by the Greenhouse Gas Management Organization (Public Organization), an organization under the supervision of the Ministry of the Natural Resources and Environment. The study has

been continuously conducted with strategies being laid out to extend to products of other companies within PTTGC Group as well. Such conduct enabled PTTGC to measure the greenhouse gas produced from our products, emphasizing the Company's success as a leading operator in the petrochemical industry and related businesses.

PTTGC has implemented a set of pollution prevention measures as follows:

- To keep a record of Volatile Organic Compounds (VOCs) emissions and maintain release-control equipment to ensure the minimum emission of the substance in the air. These tasks are performed in addition to installing the Hydrocarbon vapor recovery system on land transportation.
- To install vapor recovery units (VRU) at the Company's Aromatics product storage tanks. Our VRU system is currently recognized as the largest, system in Thailand.
- To install hydrocarbon vapor return lines at Jetty to carry vapors which can possibly be released into the air back into the product storage tanks for proper vapor pollution control.
- To install Deep Hydro-DeSulphurizer in order to study the way to enhance competence for the production of low-sulfur diesel in line with the Euro IV standard for Clean Fuels Project. Achieving this will enable PTTGC to provide environmentally-friendly fuel oils, which ultimately contribute to air pollution reduction in Thailand.
- To apply clean fuel use measures to lower the emission of sulfur dioxide (SO₂), and improve ignition of the gas-turbine power generator to lower the emission of nitrogen oxide (NO_x).

- To employ a Continuous Emission Monitoring System (CEMS) by installing CEMS equipment at the top of the chimneys in our plants, and constantly send round-the-clock data to the Environmental & Monitoring Control Center located at the Map Ta Phut Industrial Estate Office.
- To install an effective system to make optimal use of water in the production process, while minimizing release of wastewater by reusing treated water in other activities of the plant. Many water treatment systems are employed so as to monitor and ensure that the quality of wastewater conforms with the criteria as specified by law prior to its release.

In addition, the Greenhouse Gas (GHG) emission record keeping from all activities has been produced in line with the international standard ISO 14064-1:2006. This record compiles the Company's greenhouse gas emission data which is divided into the following three categories:

1. Greenhouse gas directly emitted from the Company's activities
2. Greenhouse gas and heat emitted by generators of electricity purchased by the Company
3. Greenhouse gas emitted from activities in relation with the Company's operations.

Such adherence to the international standard enables PTTGC to employ efficient greenhouse gas emission management along with setting up guidelines and policies that positively contribute to climate change situations now and into the future.

Other environmental and energy conservation policies have been applied to the Company's production processes, resulting in an efficient use of energy in the water treatment system, the clean water production system and the cooling system. The implementation of the policy has also led to suitable approaches and solutions for energy conservation and chemical use reduction. As a consequence, the optimum use of natural resources has been achieved while all production processes have been developed to be environmentally-friendly.

PTTGC Group invested over 500 Million Baht in the construction of an Enclosed Ground Flare at a plant of PTT Polyethylene Company Limited, making it the first in Thailand which employs such advanced technology. Recognized as an additional investment with an aim to reduce black smoke, as well as heat and noise into the atmosphere, this innovation ideally succeeds in raising environmental standards and reducing the consumption of resources and energy at the same time.

PTTGC HAS ALWAYS PLACED HIGH VALUE IN DEVELOPING THE OCCUPATIONAL HEALTH, SAFETY, AND THE ENVIRONMENTAL SYSTEM WHILE ENSURING ITS COMPLIANCE WITH INTERNATIONAL STANDARDS. IN ORDER TO ACHIEVE THIS, A GREAT EFFORT HAS BEEN MADE IN TANDEM WITH SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES, ALONG WITH A CONTINUOUS REVIEW OF ORGANIZATIONAL POLICIES AND BEST PRACTICES. ALL IN ALL, THE ECO-INDUSTRIAL DEVELOPMENT HAS BEEN PROMOTED, CREATING HARMONIOUS LIVING AND WORKING ENVIRONMENT BETWEEN THE INDUSTRY AND THE COMMUNITY IN A SUSTAINABLE MANNER.





CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Board of Directors of PTT Global Chemical Public Company Limited has focused on the importance of good corporate governance compliance and conducted its business with ethics, fairness, transparency, accountability, and responsibility to stakeholders. The Board recognizes that good corporate governance not only creates trust in the Company's business but is also a pillar that supports strong and stable business growth in order to create added value for the Company and shareholders, together with social and national development, and responsibility for all groups of stakeholders, in a sustainable manner. The Company, under the supervision of the Board of Directors, has been continuously committed to the Stock Exchange of Thailand's good corporate governance principles for listed companies. The five core principles can be summarized as follows:

COMPLIANCE WITH GOOD CORPORATE GOVERNANCE PRINCIPLES IN THE YEAR 2012

1. THE RIGHTS OF SHAREHOLDERS

PTTGC recognizes and respects the rights of shareholders, thereby introducing a structure to ensure that shareholders will be facilitated to fully exercise their basic rights in acceptable and reliable ways and standards which are:

- **The Legal Basic Rights:** to allow shareholders to exercise their rights according to the law in its entirety.
- **The Right to Access Information:** to provide shareholders with important up-to-date information in both Thai and English through various accessible channels such as SET's news reporting system and the Company's website. PTTGC also encourages shareholders to ask for information or pose their queries directly through the Company's Corporate and Secretary Department at cg@pttgcgroup.com

as well as through Investor Relations at ir@pttgcgroup.com.

- **The Right to Participate and Vote in Shareholders' Meetings:** to enable major and minor shareholders, as well as overseas and institutional investors to attend meetings, vote, and participate in key decision making. In this regards, the Company assigns the Corporate and Secretary Department or the Investor Relations Department to work in coordination to promote shareholders' equal rights.

2. THE EQUITABLE TREATMENT OF SHAREHOLDERS

PTTGC is determined to treat all shareholders equally regardless of their nationality, size of portfolios and investor types. They are treated in an equitable manner as follows:

2.1 THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Company held the 2012 Annual General Meeting of shareholders on April 2nd, 2012 at 2.00 p.m. at the Bangkok Convention Centre, Central Plaza Ladprao, Bangkok, which was marked as the first meeting after the amalgamation. In the meeting, the Company strictly observed the laws along with the best practices of the SEC's AGM Checklist. It also recognized the rights and equitable treatment of shareholders according to good corporate governance principles which can be summarized as follows;

Before the meeting Date

- PTTGC encourages shareholders to propose items for meeting agendas and nominees for Directors, and pose related questions to be answered in the meeting ahead of the AGM date, under the Board's regulations guidelines. Shareholders will be informed completely and the regulations allow them to exercise their rights equally. The Chairman

of the Board will announce the outcome of the consideration and give the rationales behind the decisions to shareholders at the meeting.

At the 2012 Annual General Meeting, no shareholder submitted any agenda or nominee to the Company. All the questions received before the meeting were also clearly and completely answered by the Chairman. Also, in preparation for the 2013 Annual General Meeting, a period of three months, from 1 October to 31 December 2012, has been allocated for shareholders to propose meeting agendas and nominees in advance.

- The Company has taken into consideration suggestions and recommendations from shareholders. Preparation for the AGM was also included in the agenda of the Corporate Governance Committee's meeting in order to improve the quality of the meeting even further.
- PTTGC notifies the SET, as well as informs shareholders immediately after the Board of Directors determines the date for the AGM, the Record date, as well as the closing date of the registry book to suspend share transfer, and the dividend payment dates.
- The invitation to AGM, other related documents, and all types of proxy notes as required by the Ministry of Commerce were prepared in both Thai and English and they contained all details required, i.e. the meeting date, time, and venue; meeting agenda by items attached with the Boards' opinions; and the nomination of Independent Directors that shareholders could appoint as proxies in case that they were not able to attend the meeting. Shareholders would also be informed of meeting regulations e.g. registration, voting and the process of voting. The Company conditions

and rules are designed not to be complicated nor cause inconvenience to shareholders in any way.

- To allow enough time for shareholders to review the meeting documents, PTTGC publicized the meeting invitation and related documents via SET's information disclosure system and the Company's website 30 days ahead of the meeting date and forwarded the same set of documents to shareholders by registered mail 21 days ahead of the meeting date, which was earlier than the legal requirement.

On the Meeting Date

- The meeting venue was prepared to accommodate the expected number of shareholders and proxies. An adequate number of meeting staff who were employees of the Company was provided to welcome shareholders and supply them with information and facilitated them throughout the meeting. An emergency response plan was also in place to ensure safety and security.
- Registration was allowed through the bar-code system with a simplified document check, two hours ahead of the meeting. Computer sets in sufficient number, were also available to ensure fast registration with accurate, complete, and verifiable information. Shareholders were still allowed to register for the meeting even after the meeting had commenced so that they could maintain their rights for voting on those resolutions that had not yet been determined.
- All Company Directors, Directors of every Sub-Committee, as well as Executives value the importance of the AGM and consider it as part of their duties to participate. Therefore, they attended the meeting with perfect attendance. Auditors and legal advisers also participated in the meeting to answer any inquiries and clarify relevant issues.

- The Chairman of the Board, who chaired the AGM, announced meeting regulations as required by law and Company regulations, e.g. opening of the meeting, voting, and vote counting for each item on the agenda. The Chairman of the meeting also allowed sufficient opportunities for shareholders to inquire and express their opinions. The Chairperson of each Sub-Committee carried out their duty by answering questions in his/her respective areas.
- To ensure transparency, legal advisers and volunteers from shareholders were invited to witness and inspect each vote count. Collection of ballots was carried out under SEC's regulations. To show respect for shareholders' rights, any addition or change on the agenda, or change of significant information in the meeting, was prohibited.
- The Chairman allowed ample time for the meeting and conducted it in an appropriate and transparent manner with respect for the meeting agenda earlier announced in the meeting invitation. In addition, the Company also provided interpreters to translate questions raised by foreign shareholders.

After the Meeting Date

- To ensure that shareholders would receive the minutes of the meeting with accurate information in a timely manner, PTTGC submitted the minutes to the SET within 14 days of the completion of the meeting. The minutes were made in both Thai and English in which each item of the agenda was correctly, clearly, and completely stated. It also contained the Directors attendance and memorandum of the important inquiries or comments raised by shareholders and the responses from the Directors as well as the voting results of each item. Additionally, the minutes were also posted on the Company website to allow shareholders and other interested parties to access information about the Company. Any interested shareholders were welcome to obtain a copy of a video record of the meeting.

Committed to maintaining the high standard of its AGM, PTTGC received AGM assessment results at the level of excellence with perfect score. Shareholders also expressed their satisfaction towards the arrangement giving an over 90% voting approval.

2.2 SUGGESTIONS AND QUESTIONS FROM SHAREHOLDERS TO THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

Shareholders are welcome to raise their suggestions and recommendations to the Chairman of the Corporate Governance Committee through the Company's website. The Company Secretary will collect and submit them to the Chairman for consideration. If such suggestions, recommendations, or questions are considered beneficial for PTTGC's business or are of interest to a majority of stakeholders or are related to PTTGC's performance, the Chairman will raise them at the Board meeting.

2.3 SHAREHOLDERS RELATIONS

In 2012, the Company arranged visits to its plant for shareholders. Two trips of 250 people each were conducted to visit the Company's plant in Rayong province with an aim to build even greater confidence and understanding of the Company's operations among shareholders. This allowed shareholders to ask questions about business operation and PTTGC's plants management; and to strengthen relationships between shareholders and the Company Executives and employees. The shareholders also learned about the Company's care for society, the community, and the environment by participating in a CSR activity at Sea Turtle Conservation Center, the Royal Thai Navy, Sattahip district, Chon Buri province. Shareholders were treated equally by being informed in advance about the planned visits and the selection procedure through various channels e.g. SET's information disclosure system, the Company's website and by registered

mail. The selection was electronically drawn by lots and the results were announced on the Company's website. The Company also conducted assessments of the shareholders' reaction to the visits for further improvement.

2.4 CONTROL OF THE USE OF INSIDE INFORMATION AMONG DIRECTION AND MANAGEMENT

The Board of Directors strictly adheres to the principles of equitable treatment for each and every shareholder and investor regarding their access to information. The Board therefore has instituted a set of rules that govern the disclosure of information and the prevention of insider trading as follows:

- Directors, Executives and employees are not allowed to exploit inside information, or to buy or sell Company shares using internal information as specified in the Company's Good Corporate Governance and Business Code of Conduct Handbook. This is to be communicated to them for acknowledgement and practice in order to prevent the use or exploitation of inside information for one's own interest or the interest of others.
- Directors, Executives and employees whose work involves financial information are prohibited from the sale and the purchase of Company's shares within the period of 45 days before the disclosure of PTTGC's quarterly financial statements, and the period of 60 days before the disclosure of annual financial statements. This prohibition also applies to their spouses and children under legal age. Their transactions can resume 24 hours after such information has been disclosed to the SET. PTTGC always sends notifications regarding this matter to Directors and Executives beforehand.
- The management and employees are required to comply with the principle of Confidentiality of Information Policy to ensure that confidential information remains secret at all times. They are also required to prevent others from accessing

such information concerning the Company, customers or partners, or any personal information. They must also comply with measures in safeguarding confidential and non-public information for the benefit of business operation and compliance with the legal requirements regarding the standard of information confidentiality both in Thailand and overseas.

- Directors and Executives, as defined by the SEC, are responsible for reporting to the Company the sale/purchase/transfer/acquisition of Company shares which they conduct within 3 working days after such occurrence. The Board assigns the Company Secretary to collect such information and incorporate them into the meeting agenda to be reported to the Board meetings.

2.5 PREVENTION OF CONFLICT OF INTEREST

The Board has established the following policies and the business code of conduct to prevent any conflict of interest that may arise:

- Directors or Executives with potential vested interests in transactions or meeting agendas with potential conflict of interest are required not to attend meetings relating to such discussions. If their presence at the meeting is required to provide necessary information, they will abstain from voting or giving any opinion on such items. The Company Secretary or the Secretary of the Sub-Committee involved will take note of any involvement of a Director or Executives and incorporate such information in the minutes of the meeting.
- The Board has included rules about interest and conflict of interest in the Company's Good Corporate Governance and Business Code of Conduct Handbook, which Directors, Executives, and employees are required to follow. Personnel of all levels are required to report any possible act or doubt in regard to conflict of interest via the Conflict of Interest Disclosure Form. They are required to do this three times - firstly when they are

appointed to their position(s); secondly, every year end; and thirdly, as soon as an incident arises that may lead to a possible conflict of interest.

- In 2012, the Company developed an online system of reporting a conflict of interest for employees to reduce the amount of paperwork and to facilitate the tracking, storage and retrieval of information. This system also enables supervisors in the Company to be better informed about any possible act of their subordinates which can lead to any conflict of interest.

3. THE ROLE OF STAKEHOLDERS

PTTGC remains committed and responsible to all stakeholders with respect for the rights of others and also for stakeholders' satisfaction to achieve sustainable benefits in the long term. In order to assure stakeholders that their rights are protected and that they will always be treated equally, the Board has established the following set of clear policies and practices to follow that conform to the needs of each and every group of stakeholders:

Shareholders: The Company encourages shareholders to exercise their basic rights. PTTGC aims to create utmost satisfaction for shareholders while taking into consideration the sustainable growth of the Company, enhancing shareholder value and returns for their investment; and last but not least, compliance with good corporate governance principles.

The Company ensures the basic rights of shareholders as stated by law, as well as the Company's Articles of Association, and the Good Corporate Governance and Business Code of Conduct Handbook. This also concerns the right to attend shareholders' meetings and cast their votes, the right to freely express their opinions, the right to check the number of shares, the right to receive fair returns from the Company, as well as, the right to ask questions and raise suggestions towards the Company's business operations.

Customers: PTTGC is devoted to generating satisfaction and confidence among customers and members of the general public through quality products and services within a reasonable price range. It is also committed to consistently upgrading such standards and maintaining a positive and lasting relationship with them.

The Company established a special team dedicated to customer care, providing consultation for and receiving complaints from customers. They are also welcome to voice their recommendations about products, give advice on problem-solving, and file any complaints. Customer visitations are arranged so that customers' opinions are listened to and customer queries clarified for maximum benefit of all parties. PTTGC, moreover, does not act in collusion with competitors to gain benefits which may result in unfair practices to consumers. The Company will comply with agreements, the business code of conduct, applicable laws and regulations strictly. It also conducts customer satisfaction surveys for all products and services on a regular basis to cross-check customer satisfaction for further product improvement and service development.

Business Partners: Impartiality, honesty in the conduct of business, and mutual interest protection are always taken into account by the Company while complying strictly with the laws and rules agreed upon with each and every one of its business partners. This ensures the conduct of ethical business.

PTTGC adheres to the principles of equality, transparency, fairness, and integrity in doing business by strictly complying with agreed business and trading terms, policies regarding the business code of conduct towards business partners, as well as good practices that prevent any conflict of interest. Executives and employees are prohibited from having influence or offering or receiving incentives, or benefits which are against good corporate governance principles to prevent any inappropriate action. Business partners are expected to observe regulations concerning

occupational health, safety and the environment as well as to comply with labor requirements and human rights. The quality of life and well-being of the community, society, and the environment must also be respected. In 2012, the Company has established criteria to evaluate the business ethics of partners. Such criteria include the signing of an anti-fraud and anti-corruption ratification, as well as, keeping business partners well informed of the Company's policy that prohibits employees from accepting gifts, assets, or any other undue benefits.

Business Competitors: It is PTGC policy to treat competitors according to the content of the laws on practices of trade competition and rules of fair competition established by international principles.

The Company observes the business code of conduct and laws, and promotes the principles of fair and free trade. It does not seek infringement of any intellectual property or trade secrets of competitors, and does not discredit them through accusations or slander.

Creditors: In fairness to creditors, PTGC observes best practice guidelines and conditions and repays debt on time.

Obligations with creditors and financial institutions are strictly followed by the Company which performs its duties as required by the conditions in agreements. Relevant facts which could prove harmful to creditors are not hidden. If, under any unforeseen circumstances, the Company is unable to fulfill its obligations in any binding agreement, it will inform creditors immediately to find mutual solutions. Additionally, PTGC fosters good relations with creditors by organizing joint activities and participates with them in organizing suitable social activities as deemed appropriate.

Public Sector: PTGC recognizes the significance of the public sector as a stakeholder. Additionally, guidelines have been established for the treatment of

the public sectors in the countries in which it invests so that negative consequences from any action can be avoided.

PTGC conducts its business according to applicable laws both in Thailand and in countries where it invests. The Company realizes that governmental support is needed for smooth operations and thus places emphasis on compliance with policies, laws and regulations. The Company regularly coordinates and exchanges information with the government within proper, transparent limits to build long-term relationships with government agencies. It participates in various activities and lends support to various projects organized by the government sector.

Employees: The Company is determined to develop into an organization of continuous learning with teamwork as a key part of its working culture and ambiance. It also pays fair compensation and ensures a safe working environment for all employees. It recognizes the significance of development and knowledge transfer and also listens to the opinions and suggestions of employees at all levels in an equitable manner. The Company also fosters and enhances an organizational culture with the employee always playing a vital role in its sustainable success, advancement and growth.

To ensure maximum job satisfaction, the Company's recruitment process is undertaken with due regard for each person's educational qualifications, experience, and ability to function in his or her most rewarding available job positions. PTGC encourages continuous employee development. Employees are encouraged to realize their potential through performing beyond their routine and responsibilities. Career advancement opportunities are open for all without discrimination against gender, age, religion or physical disability. PTGC highly values respect for human dignity, rights, freedom and equality, and is against all types of harassment according to the business code of conduct guidelines. It also abides by international

human rights stated in the Company's policy governing its operations. PTTGC fosters, promotes, and encourages all employees to comply with relevant laws, rules, and regulations strictly, and to reject and oppose all forms of corruption and bribery.

A Welfare Committee comprising representatives from the management and employees has been established to ensure that employees' welfare is fair, adequate, and secure for them and their families. PTTGC provides a safe workplace for employees while organizing various activities to provide knowledge about occupational safety, both in theory and in practice, to employees and contractors to ensure their preparedness to deal with emergencies. Such practices as fire drills in high-rise buildings are conducted at PTTGC's head office and emergency drills are also conducted at the Company's plants on a continuous basis to evaluate the readiness in emergency response. The Company has also form Occupational health, safety and the environment committee to oversee Bangkok office area and other Plants in Rayong

The Company has established a Communication Plan of Good Corporate Governance aiming to ensure that PTTGC, the management and employees and its subsidiaries possess due perception and capabilities to apply such principles to their daily working and personal lives. It also has drawn up the PTTGC Core Values, known as "GC-SPIRIT", to take its good corporate governance efforts to even new heights of success. Additionally, the "Integrity & Ethics" program has also been created to promote and emphasize employees' awareness and compliance with the Good Corporate Governance Handbook.

In addition, the Company also allows employees to channel feedback to the management directly, such as through the "Management Site Visit" activity which is designed to engage employees in discussions with the Executives. In this activity, the Executives are to share their opinions on various issues in the Company, as well as,

provide advice and encouragement to their staff members.

There are also many other activities being held to establish relationships between the management and employees while promoting understanding and cordiality at work. PTTGC provides a channel for expressing complaints about business ethics (Whistle Blower) in the project "Bring the Best" initiated by the Internal Audit Department. Every complaint made with solid evidence will be treated in an equal, transparent and fair manner to all parties. The complainant's information will be kept confidential and they will be protected from being harassed both during and after the investigation.

Communities, Society and Environment: PTTGC conducts business with responsibility to communities, society and the environment in terms of safety, quality of life, and the conservation of natural resources. The Company promotes energy efficiency and recognizes the quality of life of communities and society in the area around the plants and at the national level. A significant portion of its profit is returned to society through various social contribution activities. PTTGC operates by taking into account impact on the environment starting from the production process to the selection of production and waste disposal technology, as well as to innovative research and development procedures and improved energy efficiency.

The Company always operates with care not to affect local communities, society, and the environment wherever its plants are situated while aiming to continuously support activities that improve the quality of life in those areas. Social responsibility is determined as one of the PTTGC "GC-SPIRIT" Core Values, with 'R' standing for 'Responsibility to Society'. The social contribution plans are set to conform to the corporate strategies in social development and investment aspects in order to minimize impact upon surrounding communities.

Such plans observe the international sustainable development standards such as DJSI, UNGC, GRI, and ISO26000 with continuous monitoring in order to be in accordance with business operation and meet the Company goals and objectives.

In addition, PTTGC prepares a "Report on Sustainable Development and Social Responsibility of International Standards" as a separate report from the Company's Annual Report so that shareholders and concerned parties are informed and ensured that the Company engages in business by taking into account environmental and social sustainability.

The Company encourages employees to be good citizens who make positive contribution to the communities and society. It also encourages employees to participate in community activities around its facilities or any activities organized by stakeholders. Their participation and voluntary participation in activities - such as community services, providing assistance to needy communities, donations, and any activity that maximizes the benefit of the communities and society - are made part of their annual performance assessment.

The Company places importance on stakeholders according to the practices mentioned above, and also establishes guidelines for whistle-blowing and information validation, as well as, compensation guidelines in such case that stakeholders are damaged by rights infringement.

4. DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Board of Directors recognizes and focuses on the quality of information and transparent, accurate, complete, and equitable disclosure through reliable channels that are easily accessible. The Board sets the policy and oversees the preparation and disclosure of information, both financial and non-financial, to ensure adequacy and timeliness. The information, be it positive or negative, must

be composed carefully, accurately, transparently, clearly, accountably, and regularly to ensure that shareholders and other stakeholders can be confident and receive equal information as required by the law, the Articles of Association, and related government agencies.

4.1 QUALITY OF INFORMATION

The Company discloses information to shareholders, investors and the general public in a timely, reliable, complete, and accurate manner as required by laws and regulations. The public disclosure of information by the Company, both financial and non-financial, proceeds as follows:

- The Company supervises the preparation of the financial reports which contain correct and complete information according to accounting standards. They are audited by an independent auditor and the audit fee is also disclosed. Since the establishment of the Company, the Audit Committee has proceeded with the audit on the basis of SEC and SET regulations and corporate governance principles correctly and completely.
- Information is disclosed of Directors and the management related to the operations of the Company or its subsidiaries according to SEC and SET regulations. This includes conflict of interest reports of Directors, the Executives, and connected persons stated by law; reports on shareholding, changes in shareholding, and acknowledgment of their duties related to shareholding; reports on internal control, audit, and risk management; certification of independence of Independent Directors; reports of Sub-Committees; and the Corporate Governance report. Such reports are made in accordance with the relevant laws and are composed in a complete, careful, and transparent manner and adhere to the principles of Fiduciary Duties.

- PTGC also discloses useful additional information other than what is stated under the regulations of SEC and SET to shareholders and the general public through various channels and media and updates the information on a regular basis. Such information includes the Company's vision, missions, business models, management structure, shareholding structure, the Board of Directors and management directory, the business performance report, the Certificate of Registration, the Articles of Association, and the Good Corporate Governance and Business Code of Conduct Handbook.

They will also be informed of investment in major projects; news on business performance; CSR projects for communities, society, the environment and safety; innovations developed with regard to the impact on society; channels of complaints, as well as, investor relations information, and other issues as deemed appropriate.

4.2 DISCLOSURE CHANNELS

The Company discloses its required information as well as additional information that is considered relevant to stakeholders and shareholders through the following channels:

- Disclosure of information via the SET Community Portal and the Company's website is in both Thai and English. PTGC updates the website on a regular basis and provides the contact information of every department.
- External communications are conducted, including project launches and Executive interviews to publicize the Company's vision, strategies, goals, and business performance in a complete and accurate manner according to information disclosure practice and expression of ideas to outsiders as defined in the Good Corporate Governance and Business Code of Conduct Handbook.

- Internal communication is another way of communication which the Company values. The employees are provided with important information - such as company strategies, directions, policies, and internal movements - through various forms of internal communication systems including email, intranet, internal newsletters, notice boards, and exhibitions. This will be undertaken under the guidelines of the use of internal information and will be treated with confidentiality practices which the Company and employees must strictly comply with.

4.3 DEPARTMENTS RESPONSIBLE FOR INFORMATION DISCLOSURE

- *The Investor Relations Department* is responsible for overseeing the disclosure of information to investors by providing information and facilitating those who want to obtain information from the Company. Investors will be assured of accurate, complete, and rapid exchange of information. In 2012, a variety of activities were held to introduce Company information to investors on various occasions e.g. domestic and international meetings, financial analysts meetings, SET in the City participation, disclosure through the SET channels and the Company website, answering questions by phone or e-mail and newsletter distribution to all shareholders.

In order to open channels of communication and to provide additional information to shareholders and investors, PTGC also opened an Investor Relations section in the Company website gathering Company information, as well as information for shareholders or investors, financial information, and publications.

A channel has been opened for submitting any questions or inquiries related to the business of the Company via email: ir@pttgcgroup.com

- *Corporate Communication and Branding* This department is responsible for publicizing updated information about business movement to media and the general public such as senior Executives giving special interviews to media i.e. television, print media, and magazines to provide information about PTGC structure, business directions and vision. Photo Releases, Press Releases or Calendar News are given to the media, both in Bangkok and upcountry.
- *Corporate Social Responsibility (CSR)* This department composed a Sustainability Report for the year 2012 according to the Global Reporting Initiative (GRI) international standard and was certified with the highest ranking in the A+ level. The report was propagated to all groups of stakeholders about its way of conducting business responsibly; social development activities; and an open-house activity that allowed community people to learn about business operation and become acquainted with PTGC Executives. It was an opportunity for the Company to make known its policies involving social responsibility and foster understanding and relationship with the communities and local stakeholders. It was also a channel to hear from them in order to arrange improved CSR action plans. Visits to communities were carried out not only to meet local people, but to let them know about CSR projects in various aspects such as education and public health. Some other community activities included scholarships for nurses, the tuition for university in the "Community's Friend Tutors Project", education programs for youth "ASEAN Community Gateway", and the mobile clinic and other programs.

In addition, the Company also provides a quick and easy way to communicate via email, which is detailed in the Company website under the heading "Corporate Governance". Shareholders, investors and the general public can contact directly to the Chairman of the Corporate Governance Committee or contact the

Corporate Secretary for more information about the Company at: cg@pttgcgroup.com.

5. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors is the heart of good corporate governance as it plays a key role in corporate governance for the maximum benefit of the Company. The responsibilities and performance of duties by the Board is therefore a cornerstone of good governance.

The Good Corporate Governance Structure and the Scope of Authority of the Board covers the components, qualifications, appointments, roles and responsibilities, the holding of Directorships, and performance of Directors, Executives, and employees. It also formulates policies, regulations, business procedures, and related operating manuals in written format to allow checks and balances. The internal audit department was approved in its function by the Audit Committee and examines business operations to ensure that the Company follows the guidelines set by the relevant laws and regulations effectively.

The Board of Directors performs its duties with honesty, transparency, deliberation, diligence and understanding of the roles and responsibilities based on the requirements of the law, regulations, the Articles of Association, the resolutions of the shareholders' meetings, and Good Corporate Governance principles. It avoids committing actions against the interest of the Company to ensure the confidence of shareholders and investors.

5.1 STRUCTURE AND COMPOSITION OF THE BOARD

The Board consists of the Chief Executive Officer, the President, the Managing Director, the Company Secretary, Directors, Independent Directors, and Sub-Committees. They all have roles to maintaining the appropriate checks and balances of the Company as follows:

5.1.1 Directors

- The Board of Directors is comprised of 15 Directors, 2 Executives (CEO, President) 4 Non-Executives, and 9 Independent Directors. The number of Independent Directors exceeds half of the Board as required by the SEC and the panel includes 1 Independent female Director.
- The composition of the Board is from a variety of different professions. All Directors are experts with diverse experience in the fields of petroleum, petrochemical, energy, management, accounting and finance, legal, security, and auditing. Their knowledge, skills, qualifications, and experience are consolidated for the benefit of the Company.
- The structure of the Board allows all Directors to perform their duties effectively. Their names, profiles, education backgrounds, experiences, and shareholding in the Company will be disclosed through various channels, including the Annual Report, in Form 56-1, and the Company website. Directors' qualifications are also specified in the Articles of Association and the Good Corporate Governance and Business Code of Conduct Handbook, as well as, in the Company's website.
- The Chairman of the Board, the CEO, and the Managing Director must be different individuals with clear separation of roles. The Chairman of the Board is also to refrain from belonging to any Sub-Committee which allows him/her to perform duties with independence and be able to comment on the Company performance under the Board's policy for the benefit of PTGTC, its shareholders, and the benefit of country. The Articles of Association and the Good Corporate Governance and Business Code of Conduct Handbook also contain the written roles and responsibilities of the Board and the Management which facilitates control, examination, and assessment to achieve the Company business goals, visions, missions, strategies, financial goals, risk management, plans, and budgets. The operation must be considered

and refined by the Management Committee comprising the top Executives prior to submission to the Board for consideration. The Board monitors the Management Committee and has them report their implementation of such policies and plans on a regular basis.

5.1.2 Independent Directors

In considering that Independent Directors are truly independent, the Board reviews all their past and current performances as well as their business relationships with the Company under the regulations of SEC and SET. The number of Independent Directors, a total of nine persons, exceeds a third of the Board composition and more than the legal requirement. All Independent Directors perform their duties by taking into account equally the interests of all stakeholders. The Company clarified the definition of Independent Director in the Good Corporate Governance and Business Code of Conduct Handbook aligning with SEC and SET regulations. They also impose stricter rules on their shareholding, which must not exceed 0.5% (while the SEC limit is 1%). The Independent Directors have to certify their qualifications of independence every year-end according to the above criteria.

In 2012, the Independent Directors held their first meeting since amalgamation in accordance with the principles of Good Corporate Governance. External experts were invited to give lectures and join the Independent Directors' discussion on the topic of "Performing the duties of Independent Directors" in various matters e.g. independence of expressing comments/suggestions in the Board meeting, maintaining Company benefits and the prevention of conflict of interests between the Company and stakeholders, and providing appropriate and efficient internal control and risk management systems. The Committee selected and appointed Pol. Gen. Sombat Amornvivat

as Chairman of the Independent Directors and authorized the Management to prepare an Independent Director charter to ensure clear and tangible performance.

5.1.3 Sub-Committees

To enable the Board to achieve its ultimate goal regarding Corporate Governance, Sub-Committees are appointed to conduct, to screen, and set criteria on particular subjects. The Board also lays down written charters for all Sub-Committees in the Good Corporate Governance and Business Code of Conduct Handbook and on the PTTGC website. All Sub-Committees report their results to the Board on a regular basis and inform shareholders of their performance for the year through the annual report.

(1) Audit Committee

The Committee consists of three Independent Directors, each holding office for a three-year term. Every member has sufficient knowledge and experience to review the reliability of financial statements. The scope of their authority and responsibility is under the Audit Committee charter. In every meeting of the Audit Committee when reviewing the financial statements, they are always joined by external auditors whose opinions, comments, and observations on the financial report are recorded in the minutes of the Audit Committee.

(2) Nomination and Remuneration Committee

This committee consists of three Directors, two of whom are Independent Directors, serving a three-year term. Its Chairman is an Independent Director assigned with the examination of remuneration criteria and guidelines for the CEO and for Directors. It determines nomination regulations and procedures in a transparent manner. The criteria and patterns of compensation for the CEO and for Directors are also under its consideration with transparency and sensibility

in comparison with similar positions in other companies of the same industry.

(3) Corporate Governance Committee

This Committee consists of four members from the Board of Directors with its Chairman and other two members being Independent Directors, serving a three-year term. As assigned by the Board, the Committee considers and proposes the guidelines, policies, and practices regarding the Code of Conduct and Business Ethics under the Good Corporate Governance principles to the Board and the management. It also supervises consultation, evaluation and review of policies and Good Corporate Governance compliance to develop such guidelines in complete accordance with those of the SEC, SET, and leading organizations. The PTTGC Corporate Governance System will further be enhanced towards international standards.

(4) Risk Management Committee

This Committee consists of three Directors, one of whom is an Independent Director, with a three-year term. It is entrusted by the Board with the formulation of policies and guidelines for the proper and effective risks management regarding PTTGC business operations. The scope of work includes keeping control of the risk management system or process to minimize impacts on the Company business, monitoring and evaluating the implementation of such framework to ensure that the Company is operated with adequate and appropriate risk management.

5.1.4 Corporate Secretary

In order to comply with Section 89/15 of the Securities and Exchange Act, B.E.2535 (1992), which was amended by the Securities and Exchange Act, no.4, B.E. 2551 (2008), the Board appointed Mrs. Walaiporn Puspavesa, Vice President

of Corporate Governance and Secretary Department, as a Corporate Secretary. In performing her duty, apart from requirements by the law, the Corporate Secretary also ensures the compliance of PTTC and the Board with the Articles of Association, relevant laws and regulations, resolutions of both the Board and shareholders' meetings, and Corporate Governance practices. The Corporate Secretary also provides support for Directors and the Executives to attend training courses in their relevant areas. The scope of work includes making reports to the Board and the Executives informing them of any changes in regulations and the filing of important documents as required by law. Shareholders can contact the Corporate Secretary via e-mail: cg@pttgcgroup.com

5.2 TENURE OF THE BOARD OF DIRECTORS

The Board of Directors stated the term of Directorship in the Articles of Association of the Company that each Director shall hold office for a term of three years in accordance with the Public Company Limited Act. In addition, the Board recognizes the limit to performance effectiveness of Directors. It seriously has concern for the number of companies for which its Directors serve and therefore the Board states that Directors should not serve more than 5 listed companies. The policy is made accordingly to fit the international standard criteria of the ASEAN CG Scorecard; the current business conditions; as well as the development of knowledge, capability, as well as, the ability to implement business experience to benefit the Company. The Company discloses the positions of each Director in other companies in the Annual Report, Form 56-1, and the Company website.

As for the case that the PTTC CEO, President, and senior management hold Directorships in other companies, consideration must be made mainly on the suitability of the nature and condition of those companies to PTTC business and the fact that the person should emphasize companies in which PTTC invests as well.

5.3 ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors, as the representative of shareholders, plays an important role in the formulation of policies, visions, strategies, and direction of the business. It is tasked with supervising and monitoring of the operation of the Company based on analysis of both internal and external factors affecting the business. It also has to handle expectations from various stakeholders to ensure success and to maximize benefits to the Company and all shareholders. PTTC then determines the roles and practices of the Board members beyond legal requirements as follows:

Policies and Business Strategies Formulation: The Board acts to decide critical operation matters, namely company visions, missions, strategies, financial targets, risks, operating plans, and budgets. It also oversees the performance of the management to achieve the objectives as planned.

Value Creation Governance: The board lays down comprehensive policies to serve the entire organization while making sure that the Company has a system or process to manage risks appropriately as well as measures to control and minimize impacts on the business. It provides beneficial recommendation to the business of the Company.

Good Corporate Governance: The Board performs its duties in compliance with laws, regulations, and resolutions of the shareholders' meeting strictly. It formulates Corporate Governance Policy and Business Code of Conduct and lays down guidelines for good and independent internal controls. The Board's authority also includes disclosure of information vital to the business, protects the interests and rights of all shareholders equally, and examines items with potential conflict of interest to ensure fairness and transparency for the benefit of the Company and its shareholders as an entity. The Board also promotes employee development for better understanding and awareness conforming to the PTTGC's good corporate governance guidelines.

Promotion of Responsibilities to Society, the Environment, and Human Rights: The Board conducts the business of PTTGC with responsibility to society and the environment in parallel with the promotion of sustainable well-being of Thai society. The Company aims to improve the quality of life of the people living around its operating plants and to participate in problem-solving to minimize negative impact on these communities. The Board also respects human rights and fair labor treatment to enhance sustainable co-existence between the communities and the PTTGC plants.

The Board of Directors has consistently performed its duties with responsibility to act as a role model with practical guidelines for all employees to follow, as well as, to secure confidence from valued shareholders and investors with its capabilities.

5.4 NOMINATION AND APPOINTMENT OF DIRECTORS

To make nominations and appointment of Directors proceed with principles and transparency in accordance with Good Corporate Governance

and the best practices, the Nomination and Remuneration Committee therefore established a set of screening criteria to determine suitable nominees for Directorial positions by considering various qualifications. These include having qualifications complying with relevant laws and regulations; being individuals from various fields whose expertise, experiences, and capabilities would benefit the Directorships and the Company; and whether or not they have potential vested-interest or conflict of interest with the Company. The re-appointment of Directors is based on their past performance. As for the appointment of Independent Directors, the Committee will further consider their qualifications for independence. Additionally, individuals who are nominated for Directorial positions must give their consent to such nomination.

5.5 CORPORATE GOVERNANCE POLICY AND BUSINESS CODE OF CONDUCT.

- The Board of Directors engages in the Corporate Governance Policy and Good Corporate Governance and follows the Business Code of Conduct Handbook which contains practical guidelines and criteria that comply with international standards. The Corporate Governance Committee monitors compliance with the Good Governance program and evaluates the performance in doing so, and compares it with the Corporate Governance Principles of Thai Listed Companies and international standards through the Committee meetings on a regular basis. The report findings are submitted to the Board and disclosed to shareholders in the annual report, as required.
- PTTGC's Good Corporate Governance framework requires evaluation on the performance of the Directors, on the recognition of and compliance of employees with the principles, as well as on the compliance with the criteria of other agencies

such as SEC, SET, IOD, and the Thai Investors Association, to elevate PTTGC's Corporate Governance towards international standards.

- The Board of Directors ensures that the policy of Good Corporate Governance and the Business Code of Conduct is comprehensively communicated both inside and outside the organization. The Company carries out such communication with employees and stakeholders through various activities and media including the announcement of the Good Corporate Governance policy and the distribution of the Good Corporate Governance and Business Code of Conduct Handbook to each Director, Executive and employee of the Company and its subsidiaries. PTTGC also provides orientation sessions for all new Directors and employees to raise their recognition and understanding of the principles of Good Corporate Governance, as well as many other internal Corporate Governance promotion programs to ensure awareness and implementation in work function. The "Business Code of Conduct Handbooks" are provided for stakeholders such as customers, business partners, creditors, joint venture companies, and other relevant agencies and publicized for the general interest of individuals via the Company's website. The "PTTGC Suppliers Code of Conduct" is also distributed to partners and business alliances to illustrate the Company's commitment to conduct business ethically. PTTGC expects all of its partners to adhere to the same principles.

Every year, PTTGC and the companies in the PTT Group organize PTT Group CG Day activity to publicize the principles of Good Corporate Governance to employees and apply such concepts to sustainable business operation together. This activity is continuously conducted by the listed companies in PTT Group at the end of the year and this has successfully received

participation and attention from a great many employees. In 2012, PTTGC also hosted an event under the theme "Surfing the Global Wave" the importance of which members of the Corporate Governance Committee recognized and also participated in the event.

5.6 COMPLIANCE POLICY OF THE COMPANY AND ITS SUBSIDIARIES

PTTGC places importance on observation of the relevant laws and regulations related to the implementation of the International Business Code of Conduct in order to exhibit its Compliance Policy solidly and efficiently. In 2012, the Board set up the following 7 areas of the Company's Compliance Policy as follows:

1. Antitrust Law/Competitive law Policy
2. Anti-Corruption and Anti-Bribery Policy
3. Human Rights Policy
4. Intellectual Property Policy
5. Anti-Money Laundering and Combating the Financing of Terrorism Policy
6. Confidentiality of Information Policy
7. Other laws, rules and regulations which concern the business of PTTGC and PTTGC Group Policy

These policies have been issued to act as a preventive measure and risk mitigation of noncompliance with the laws and regulations for the Company and its subsidiaries. This also promotes the awareness of outsiders of PTTGC's commitment to respect and abide by the laws and regulations in all regions it operates. Such policies are also used as a tool to ensure that the work of Directors, Management and employees as well as the business operation of the Company and its subsidiaries are flowing in the same direction.

5.7 COLLECTIVE ACTION COALITION AGAINST CORRUPTION

In 2012, the Company declared its intention to join Thailand's Private Sector's 'Collective Action Coalition against Corruption' movement. This is a

cooperative body between the Thai Institute of Directors (IOD), the Thai Chamber of Commerce (TCC), the Thai Bankers' Association, the Joint Foreign Chambers of Commerce (JFCCT), and the Listed Companies Association. It forms as a mutual standard code of business conduct for the private sector. The coalition has been a commitment for them to join forces with each other to prevent and fight against corruption. In addition, the Board has stated the best practices of anti-corruption in the Good Corporate Governance and Business Code of Conduct Handbook as well as the Anti-Corruption and Anti-Bribery Policy, which is one of the main seven principles under Compliance Policies. It is made clear that any violation of the Corruption laws or Bribery with government officials, foreign government officials, or officers of the private sectors is considered wrong and against the policies. Personnel at all levels must oppose and prohibit such actions. PTTGC communicates, disseminates, and organizes activities in accordance with such practices to raise awareness among employees within the Company as well as with business associates.

5.8 INTERNAL CONTROL AND AUDIT SYSTEMS

5.8.1 Internal Control

PTTGC places importance on providing adequate and efficient internal control that is in line with its business conditions and operations. Personnel at all levels of the Company are responsible for the internal control as follows:

The Board of Directors: To ensure that the Company has adequate and efficient internal control.

Senior Executives: To provide internal control and foster greater understanding, positive attitudes, and cooperation among employees towards compliance with internal control.

Mid-level Executives: To establish internal control within their field of responsibilities, arrange assessments, and improve, examine, as well as, supervise the compliance of internal control.

All employees: To comply with the rules, regulations, commands, and internal control measures of the Company.

PTTGC's internal control complies with international standard guidelines, which consist of important components such as Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. This is to enhance confidence in the Company's capabilities to achieve its set goals in operation, reporting, as well as, compliance with applicable laws, rules and regulations. The report of internal audit is also disclosed in the annual report.

5.8.2 Internal Audit

The Company's structure ensures that its internal audit mechanisms are working independently and are to report directly to the Audit Committee. It is the responsibility of the Audit Committee to make it possible for such internal audit mechanisms to function independently, impartially and ethically as specified in the Company's Charter of Internal Audit and in accordance with professionally accepted standards. Such internal audit is necessary to assess the sufficiency and the efficiency of internal control measures, in order to ensure that all departments of the Company are working in the same direction to achieve its goals, and that adequate risk management is implemented to handle the ever-changing business situations.

The Company's internal audit mechanisms cover both long-term and short-term internal audit, and are in line with the Company's business strategies and risks. Internal audit aims to recommend measures to mitigate possible risks, as well as, to improve existing procedures in an effort to add value to the Company. A report on compliance with recommendations of the Audit Committee is also prepared every quarter, and

the Audit Committee is required to report the adequacy of the Company's internal audit to the Board of Directors at least once a year.

The Company employed an outside company to provide independent assessment and certification of its internal audit systems based on international standards. The assessment indicated that the Company's internal audit is of the same high standard as other similar companies in the same industry.

In addition, advanced information technology tools have been implemented to enhance the quality of internal audit, as well as, to improve the efficiency of company operations. Special training and seminars have been organized for Company's Executives to enable them to understand and utilize internal audit systems better, so that, the internal audit may be integrated as part of the Company's organizational culture in the near future.

Moreover, the Company established another communication channel that receives reports and complaints regarding any misconduct of the Company's personnel (Whistleblower) to encourage its people to continue to perform their duties with transparency, integrity and responsibility towards shareholders and stakeholders.

5.9 RISK MANAGEMENT

The Board appointed the Risk Management Committee to determine the policy for enterprise-wide risk management, to provide a risk management system and/or process to minimize impact on the Company's business and/or reduce the possibility of actual risks occurring. The Committee is tasked to make suggestions on the risk management framework and guidelines that support the Company in achieving its business goals both in the short and long term.

It also has to share opinions on the Corporate Risks Management Plan, monitor risk status assessment and corporate risk management framework compliance results, as well as comment on the enterprise risk management plan to ensure appropriateness and maximized efficiency and effectiveness. The Committee performs to ensure that the Company is most likely to achieve its objectives and targets set under any restrictions that may exist. Reports are submitted to the Board every quarter or when significant risk issues arise. In addition, PTTC has already incorporated the policies and practices in risk management in the Good Corporate Governance and Business Code of Conduct Handbook. Reports on the implementation of risk management are regularly submitted to Board meetings and PTTC's risk factors and risk reduction guidelines are also disclosed to shareholders through the annual report.

5.10 BOARD MEETINGS

- In 2012, the Board held a total of 12 meetings to scrutinize various issues concerning the Company. The short and long term strategic business plan meetings and the review of the plan during the year were also arranged. The Company entirely disclosed the number of meetings attended by each Director as required by SEC regulations in the annual report.
- The Chairman of the Board and the Chief Executive Officer jointly screen matters and set the meeting agenda. Each Director is also allowed to propose matters to be considered for the agenda. In each meeting, the agenda is clearly decided in advance of the appointment date. The invitations are sent out to every Director along with relevant documents and complete important information about 5 days prior to the meeting so that the Board has sufficient time to consider the agenda and accompanying documents.

- The Company has scheduled Board meetings in advance for the year and may hold special meetings to consider urgent matters. All Directors are informed of such arrangement so they can manage their attendance effectively. In case a Director cannot attend a meeting, he/she is requested to send a written notification of absence to the Chairman. The Chairman of the Board presides over Board meetings and allows Directors to express their opinions freely. He also allocates appropriate time for the members to discuss adequately on each issue.
- A resolution of the Board meeting respects the majority vote of Directors at the meeting. If the votes are equal, the Chairman will exercise his voting right. Each Director has one vote and any Director with a vested-interest in the topic will not attend and/or abstain from voting in such matters. The Board emphasizes the interests and conflict of interest issue and always operates with transparency and discloses relevant information completely.
- Although PTGTC is structured as a corporate group model that has quite a large number of related transactions between the companies in the group, it executes such transactions in compliance with SET's regulations and also discloses detailed information of the transactions completely.
- At each Board meeting, concerned Executives usually attend to provide useful information and receive policies for effective implementation. Exceptions are allowed in some Board of Directors meetings or meetings of the specific set of Directors such as Independent Directors and Non-Executive Directors. Exceptions are also allowed for the meeting of Sub-Committees such as the meetings between the Audit Committee and external auditors in the absence of the management, which is held at least once a year. At the end of the Board meeting, the Company Secretary is responsible for preparing the minutes and submitting them to the

Board for approval at the next Board meeting. The accuracy of the minutes will then be certified by the Chairman.

- Directors are permitted to add additional comments or amend the minutes before approval. Approved minutes will be stored systematically as classified documents in an electronic format for easy retrieval and reference with a control system that prevents revision without being submitted to the Board meeting.

5.11 EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

In 2012, the Nomination and Remuneration Committee reviewed all three types of annual assessments of the Board for the year 2012 namely the entire Board assessment, individual self-assessment, and cross-assessment to ensure reasonable criteria so that the results of each assessment would be applicable as a part of the annual remuneration of Directors. The results are incorporated with PTGTC's business performance. The Committee presented the evaluation results to Board meeting No.12/2012, held on December 21st, 2012, during which the Board acknowledged such results and welcomed the recommendations of the assessments to draw up a set of guidelines to concretely improve the effectiveness of the Board's performance.

- The entire Board assessment comprised six main categories in a total of 30 questions. The assessment topics were as follows:
 1. Board Policy
 2. Board Performance
 3. Board Structure
 4. Board Style
 5. Board Meeting
 6. Board Development

The overall entire Board assessment results concluded that the performance was at an excellent level with an average score of 96.9 percent.

- The individual self-assessment of Directors was composed of the three main categories in a total of 15 questions. The assessment topics are as follows:
 1. The Business Code of Conduct and Ethics Compliance
 2. Duties Responsibility
 3. Self-Development and Teamwork

The overall entire individual self-assessment results concluded that the performance was at an excellent level with an average score of 95.6 percent.

- The cross-assessment of individual Directors was composed of three main categories in a total of 15 questions. The assessment topics are as follows:
 1. Independence
 2. Time devotion and meeting attendance
 3. Knowledge and specialized expertise

The overall cross-assessment of individual Directors results concluded that the performance was at an excellent level with an average score of 98 percent.

5.12 REMUNERATION OF THE BOARD OF DIRECTORS AND EXECUTIVES

The Board delegates the Nomination and Remuneration Committee to design compensation packages appropriate to Directors' roles, duties, and responsibilities. The packages must be clear, fair, and in accordance with relevant laws and regulations. The Committee determines the remuneration structure and composition in comparison with Directors' remuneration of other leading companies of the same industry which are also listed on the SET. Duty and scope of responsibility as well as the entire Board assessment results and the Company's business results are taken into account as a part of the remuneration procedure. Other factors to consider include economic situations and trends to formulate policies and guidelines for Directors' compensation. The proposal is then tabled to the Board for approval. As for

the remuneration of the Sub-Committees, their scopes of duties and responsibilities, as well as, any extra work performed appropriately for the Company will also be considered.

5.13 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER

The Board's Policy for determining the remuneration of the CEO is based on the annual assessment of the performance of the CEO considering PTGC's business results, the Key Performance Indicators of strategies and targets of management ability, as well as, business competitiveness throughout the year. The Nomination and Remuneration Committee determines fair and reasonable compensation packages and submits them to the Board for further consideration.

5.14 DEVELOPMENT OF DIRECTORS AND EXECUTIVES

The Company focuses on the continuous development of its Directors. Although the majority of the Directors have completed extensive training, PTGC's policy is to further encourage members of both the Board and Sub-Committees to attend additional training or participate in various activities, organized by IOD, SET, and SEC, to expand their horizons in fields related to their assigned duties. In 2012, the Company informed Directors about the training courses every quarter so that they could manage their time effectively to attend. Handbooks and other related documents necessary to performing Directorship i.e. the Company profile, Corporate Governance and the Business Code of Conduct, and SEC's and SET's regulations were distributed to Directors and Executives on a regular basis.

In the case of the appointment of new Directors, the Company has established preparation guidelines about performing the duties enabling them to act as quickly and conveniently as

possible. The Company Secretary is responsible for coordinating the following:

- Collection and delivery of documents concerning regulations and practical guidelines related to the Directorship as well as Company information to equip new Directors with preliminary information and to ensure the observation of Directorial laws and regulations.
- Organization of a Board Orientation to inform newly appointed Directors about the structure and nature of the business of the companies in PTGC Group as well as meetings with the management team.
- Arrangement of Plant Visits to each operating plant in the PTGC Group and in other countries where the Company has joint ventures to make sure that the Board understands the Company's business and applies such knowledge and experience to benefit PTGC to a greater extent.
- In 2012, every member of the Board attended necessary basic training courses as Directors in accordance with the principles of Good Corporate Governance of the Thai Institute of Directors (IOD). In addition, the Sub-Committees also showed their interest by attending seminars to enhance knowledge in matters related to their duties namely the Audit Committee Program, the Role of the Chairman Program, the Role of the Compensation Committee Program, the Risk Committee Program, and the Role of the Nomination and Governance Committee Program.

- The Company Secretary has also provided plans for development and operation-related knowledge enhancement in various aspects for the present Directors on a continuing basis.

5.15 SUCCESSION PLAN

The Company has prepared a systematic succession plan to replace retirees of key positions or to fill new vacancies resulting from business expansion or the remodeling of the Company's structure. A succession plan is also in place for top management positions to ensure management continuity and facilitate the appointment of personnel whose potential and readiness are suitable for such important roles. The procedures will allow those newly appointed to grow with the organization and enable PTGC to achieve its future strategic goals in a smooth and effective manner.



ORGANIZATION AND PEOPLE MANAGEMENT

PTTGC has been focusing on strengthening its existing production and manufacturing platforms in parallel with the adding of product lines from upstream to downstream businesses, as well as, expanding its businesses to overseas markets. In doing so, PTTGC realizes the importance of Organization and People Management. With this in mind, after the successful amalgamation of the Company, PTTGC has placed a great deal of effort into restructuring the organization to ensure greater operational efficiencies, less redundancies and better utilization of the Company's existing human resources.

PTTGC has reviewed the allocation of its workforce, as well as recruitment procedures so that they are in line with the Company's growth, business demands and scope of responsibilities. Special emphasis is placed on particular groups of employees which play an important part in driving the Company forward, such as Process Engineers, Growth & Business Development and R&D.

PTTGC has also setup necessary human resources management systems. Firstly, **Performance Management System**. Under this system, impartiality and transparency are emphasized in all processes and supervisors at all levels have a role in contributing to establishing performance indicators, progress tracking and operation assessment. Secondly, **Career Management System**. The system has been established to create a clear career path and promote career development for employees in various fields, which include operation staff, maintenance and lab technicians, engineers from all fields such as mechanical, electrical, instrument and the process engineer. It is planned that the Career Management

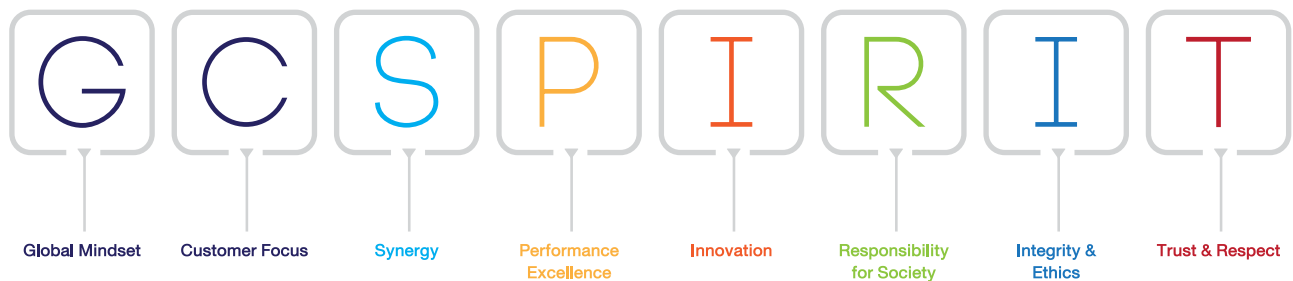
System will be completed and cover all careers of the Company within 2013. And thirdly, **Employee Development System**. Under this system, supervisors and employees are encouraged to discuss and set Individual Development Plan, or IDP, for their staff which clearly outlines those skills which should be further improved.

Moreover, International Business Model (IBM), the Subsidiary Management Guideline, and Remuneration Guideline for Expatriate have been established to enhance the Company's readiness to expand its business overseas now and in the foreseeable future.

PTTGC makes continuous efforts in fostering good cultural and organizational values according to the GCSPiRiT guideline by encouraging the Company's Executives to act as a Leadership Role Model, which is in line with the 4B1L principle (Build One Team, Build Trust, Be a Coach, Be Open, Lead Change). In addition, PTTGC has been promoting understanding of the GCSPiRiT concept among employees through a variety of communications and activities, such as the GCSPiRiT Mascot design contest and the GCSPiRiT Singing Contest. Moreover, good organizational values were instilled through various means of human resources management, such as Performance Management System, continuous development programs for management and employees, as well as, career management system. This is to ensure that the GCSPiRiT will be fostered and become an important foundation in supporting the Company's sustainable growth.

The operations above were carried out with an intention to strengthen the organization structure, and human resource management system, as well as, organizational unity after the amalgamation. PTTGC is committed to keep such activities ongoing so that people development within the company continues to be able to fulfill the ever-changing demands of today's business. Anyhow,

PTTGC has to continuously develop and improve people systems to ensure staff readiness in align with business strategy such as leadership development, career development as well as talent development. This is in order to engage retain all talent to work and grow together with the Company.



REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

DEAR SHAREHOLDERS,

In the year 2012, the Corporate Governance Committee is chaired by Police General Sereepisut Tameeyaves, with Police General Sombat Amornvivat, Mr. Kriengkrai Thiennukul and Mr. Bowon Vongsinudom as its members, carried out, their duties within the scope of authority and responsibilities assigned and granted by the Board of Directors. Meetings of the Corporate Governance Committee convened to set forth the principles and guidelines for corporate governance and offer recommendations on the Company's operations regarding this issue. The tasks performed and accomplished by the Committee in the year 2012 can be summarized for the shareholders as follows:

1. The compilation and publication of the Corporate Governance & Business Code of Conduct Handbook was completed within the timeline. The handbook was submitted by the Chairman of the Board of Directors to the Directors, and the handbook was then submitted by the Chief Executive Officer to the Executives and Employees to study and sign as an agreement to comply with such corporate governance principles. The Committee is also responsible for supervising the continuous promotion of understanding of such principles among employees at all levels.
2. The Corporate Governance Committee held meetings according to a pre-designated schedule to acknowledge and deliberate on various matters and make recommendations to the management. In 2012, there were 7 in-house meetings, including 1 outside meeting. The latter convened for the purpose of issuing CSR report to the local community. The Committee participated in a CSR event in Rayong province. They also participated in the PTT Group CG Day 2012 hosted by the Company.
3. An organization plan for the 2012 Annual General Shareholders' Meeting was made and useful suggestions were offered to ensure orderliness, transparency, efficiency and compliance with corporate governance in all AGM Checklist stages. Further recommendations were made, which included arrangements for the employees from various departments to welcome shareholders to the AGM in a service-minded manner to enhance organizational culture. In the assessment made by the Thai Investors Association, the Company's 2012 Annual General Shareholders' Meeting was awarded the full marks of 100 for distinction.
4. The Company's Corporate Governance Compliance Report for the year 2012 was reviewed to ensure full disclosure of information as set forth in the guidelines for corporate governance practices, and the assessment was made in compliance with the local (SET, SEC, IOD) and international (GRI, DJSI) standards set. Such information was then disclosed in the Annual Report of 2012.
5. The operations with responsibility to stakeholders namely shareholders, employees, customers, business partners, business competitors, creditors, communities, society and the environment were monitored to ensure compliance with corporate governance principles and practices, sufficiency and appropriateness with the view to future improvements and development. The departments responsible for different groups of stakeholders submitted

summary reports on operations and future plans to the Corporate Governance Committee. In 2012, the stakeholders were treated in strict compliance with the policies on corporate governance and business code of conduct in all respects.

6. A forum on "Taking Care of Community the Way that Will Earn Respect from the Mass" was held to transfer useful knowledge and experiences to employees in the "Smile Society" event and the Chairman of Corporate Governance Committee also offered his experiences and presented the "2012 CSR Idol Award" to the Company's volunteers to raise their morale and in recognition of their volunteer works. More than 300 employees participated in the Forum.
7. The Corporate Compliance Policy and recommendations on the adoption and enforcement by the Company and the companies within PTGC Group were considered and endorsed. Guidelines on operations were set forth in line with the Company's expansion of investment to other regions subject to applicable laws and international regulations. Such guidelines are to be strictly observed by the management and employees to reflect implementation and traceable fulfillment of concrete corporate compliance requirements.
8. Guidelines on Director's tenure of office in other listed companies as set forth in the Corporate Governance Handbook were reviewed in line with present business situations with the aim to apply the knowledge, abilities and experiences gained by Directors from other businesses to the benefit of the Company, taking into account the devotion by the Director of his/her time in performance of his/her duties. The Corporate Governance Committee approved the revision of the clauses pertaining to the number of listed companies that each Director may hold directorships at the same time. Previously, a Director may hold a directorship of "up to 3 listed companies". Now, a Director may hold a directorship of "up to 5 listed companies". Each Director's devotion of time to the performance of duties is also considered.
9. The assessment of corporate governance practices of listed companies by means of ASEAN CG Scorecard was examined and acknowledged. The Company's annual reports and website contents are the main information to be assessed. Additional regulations will be studied, adopted and implemented to meet the assessment requirements. The Company's information will be published in English for distribution through various media in preparation for future assessments at international standard level.
10. The 2012 Corporate Governance Plan was reviewed, approved and implemented to ensure compliance by the Company and other companies within PTGC Group with corporate governance practices and continuous development and attainment of international standard.

11. The performance of the Corporate Governance Committee in the year 2012 was assessed in the manner set forth in the Corporate Governance Committee Charter. The overall achievement is 94.5%. The Corporate Governance Committee outlined that they should be “assigned to study all operational systems of the Company so that they are able to express their views better and make more useful recommendations.”

The Board of Directors highly values the importance of corporate governance and is of the opinion that best corporate governance practices are the major factors contributing to the Company’s sustainable successes. Also, compliance with corporate governance practices goes a long way to ensuring the trust and recognition from the Company’s stakeholders, as well as other supervising authorities. The Corporate Governance Committee is determined to continue to do its best in taking the Company’s corporate governance levels to even new heights of recognition and standards.

On behalf of the Corporate Governance Committee



(Police General Sereepisut Tameeyaves)
Chairman of the Corporate Governance Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

DEAR SHAREHOLDERS,

Having recognized the importance of compliance with good corporate governance policies, the Board of Directors of PTT Global Chemical Public Company Limited appointed the Nomination and Remuneration Committee as stated in the Company's Articles of Association. The Committee is chaired by Mr. Vasin Teeravechyan, with Air Chief Marshal Somchai Thean-anant and Mr. Nuttachat Charuchinda as its members. The Nomination and Remuneration Committee performs its duties as assigned by the Board of Directors to define candidate selection procedures and criteria, proposes qualified nominations for the Chief Executive Officer (CEO) and members of the Board of Directors to ensure transparency. The Committee also determines the remuneration guidelines for the CEO and Directors in a fair and sensible manner. Recommendations of the Committee are to be tabled for the consideration of the Board, who will then submit them to shareholders' meeting for approval.

During the year 2012, in performing its roles as assigned by the Board, the Committee held 4 meetings, with perfect attendance, to carry its responsibilities prudently, carefully, and sensibly. Those members with potential conflict of interests in any meeting agendas were obliged to abstain from voting on such resolutions.

1. Nominations of Chief Executive Officer and members of the Board of Directors

1.1 Nominations of suitable candidates for vacant positions being left by Directors completing their tenures at the 2012 Annual General Meeting (AGM) of shareholders

The Board of Directors, at its meeting No. 1/2012, on January 20th, 2012, followed the Company's Articles of Association that the names of five (5) Directors to end their tenures at the 2012 AGM are to be drawn by lots. The five drawn names were Mr. Somchai Kuvijitsuwan, Police General Sombat Amornvivat, Mr. Sukrit Surabotsopon, Air Chief Marshal Somchai Thean-anant and Mr. Vasin Teeravechyan. As two members of the Board who were drawn to end their tenures - Mr. Vasin Teeravechyan and Air Chief Marshal Somchai Thean-anant - were also the members of the Nomination and Remuneration Committee, the Committee therefore would consider well-qualified nominees to replace those vacant positions individually and those members with conflict of interests were abstained from voting.

With the utmost benefit of the Company in mind, the Nomination and Remuneration Committee examined credentials of those five directors who were well-qualified, experienced, and suitable and submitted the reappointment of all these five directors to the meeting of the Board of Directors. The proposal was endorsed by the Board and then approved at the 2012 Annual General Meeting of shareholders.

1.2 Nominations of suitable candidates for the vacant positions of Chief Executive Officer and Directors

The Nomination and Remuneration Committee proposed Mr. Anon Sirisaengtaksin, Senior Executive Vice President of PTT Public Company Limited, who is an expert with remarkable leadership skills to the Board of Directors to be appointed as Chief Executive Officer and Director in replacement of Mr. Veerasak Kositpaisal who resigned from the post earlier. The proposal was approved by the Board and Mr. Anon Sirisaengtaksin has been appointed since May 1st, 2012. The Committee ensured its principles, discretion and transparency in each and every step of the nomination procedures.

2. Remuneration guidelines for Chief Executive Officer and Directors

2.1 Remuneration of Directors, Sub-Committee Directors and Directors' bonuses

The Committee determined the compensation for Directors and Sub-Committee Directors for the year 2012, as well as, Directors' bonuses for the year 2011 by taking into careful consideration the comparison with those positions in other listed companies of similar scale in the same industry, together with, business results, performances and responsibilities of the Directors and Sub-Committee Directors, as well as, general economic conditions. The Committee's proposal was endorsed by the Board of Directors and submitted to the Annual General Meeting of shareholders stating that the Directors' monthly compensation and Sub-Committee Directors' meeting allowances for the year 2012 would remain at the same rate as had been granted approval in the joint shareholders' meeting between PTAR and PTCH on October 18th, 2011. The Committee also proposed that the remuneration guidelines of the Board's bonuses for the year 2011 should reflect the Board's performance and correlate with other companies' bonus ranges in the same industry.

2.2 Remuneration of the Chief Executive Officer

The recommendation of the Committee in regard to the remuneration of the Chief Executive Officer was tabled for the consideration of the Board of Directors in order to determine the CEO's compensation by appraising the result of his performance for the period from October 19th to December 31st 2011 and throughout the year 2012 in a principled, fair and sensible manner.

3. Participation in the 2012 Thai Directors Compensation Survey organized by IOD

The Committee was approved of the Company's participation in the 2012 Thai Directors Compensation Survey conducted by the Thai Institute of Directors Association (IOD). The survey aimed to study practices and compensation levels for Directors of listed companies on the Stock Exchange of Thailand as well as to provide guidelines for determining the appropriate remuneration that matched the duties and responsibilities of the Board of Directors and to ensure that their compensation meets with international standards. The survey findings were also used by the Nomination and Remuneration Committee of the Company when considering the remuneration for its own Directors.

4. Consideration of the performance assessment forms of the Board of Directors for the year 2012

The Committee considered three types of annual assessment forms of the Board for the year 2012: entire Board assessment, individual self-assessment and cross-assessment - all to ensure proper and sufficient principles of the evaluation. The assessment results will be taken into consideration when determining the annual remuneration of the Directors in addition to the results of the Company's operations.

5. Evaluation of the performance of the Nomination and Remuneration Committee for the year 2012

The Charter of the Nomination and Remuneration Committee designates that "the Nomination and Remuneration Committee is required to evaluate their performance and submit the findings of their annual evaluation to the Board of Directors." The Committee conducted a systematic and transparent self-performance evaluation for the year 2012, and the overall performance of the Committee was graded at 99.33%.

The Committee pledges to continue to do its best to inspire confidence among the shareholders and stakeholders in its nomination process and compensation determination process that are formulated with due regard for the Company's performance and the Board responsibilities. Strict adherence to transparency and compliance with the principles of good corporate governance will always prevail in each and every step of our operation - all for the long-term interests and benefits of the Company.

On behalf of the Nomination and Remuneration Committee



(Mr. Vasin Teeravechyan)

Chairman of the Nomination and Remuneration Committee

REPORT OF THE RISK MANAGEMENT COMMITTEE

DEAR SHAREHOLDERS,

The Risk Management Committee (RMC) of PTTGC is comprised of three members, including one Independent Director, who have expertise in risk management. The Committee is chaired by Mr. Sukrit Surabotsopon, with Mr. Suthep Liumsirijareern and Mr. Bowon Vongsinudom as its members.

Over the past year, the RMC performed its duties and responsibilities as mandated by the Board of Directors by arranging 6 meetings with perfect attendance. Members of the management were also invited to attend the meeting when appropriate. Important issues discussed during the meetings are summarized below:

1. A review and an approval of risk management practices were established. PTTGC was found to have practiced within the RMC's approved risk management framework and guidelines. Risk factors were pointed out as well as evaluated. The risk management measures in 2012 were decided on and carried out to cope with any corporate risks which could have a negative impact on the business performance, objectives or investment targets of PTTGC. The Company's risk management incorporated plans to manage these aforementioned risks to be within an acceptable level.
2. Throughout each quarter, the RMC closely monitored the progress of key activities including the risk management of corporate performance, corporate objectives and targets, project's objectives, financial risk, and the feedstock and product price volatility risk. It was found that the Company operated in accordance with the RMC's approved framework, methods, and plans as well as recommendations.
3. Prior to the Board of Directors' consideration, the RMC provided a review and an approval of risk management practices for major investments with high investment cost by identifying risk factors, risk analysis, and mitigation plans covering all project phases, from study and execution phases to commercialization phases.
4. A review was made and recommendations were given in regard to emerging risks, which could cause severe losses to the Company. These risks included the debt crisis in Europe and the potential blocking of the Strait of Hormuz in the Middle East. It allowed the Company to maintain readiness to mitigate any adverse effects that would arise from these risks should they were to materialize.
5. A review was made and recommendations were given in regard to additional risk management systems in order to enhance the efficiency of risk management such as the Early Warning System (EMS) and the Business Continuity Management (BCM). These systems will assist the Company with necessary preparation to handle high-impact risks should they were to materialize.
6. The policies, framework, and methodologies employed in the risk management, including the Risk Management Committee Charter, were reviewed and revised. Adjustments were made to correspond with different levels of risks experienced by PTTGC

7. Performance evaluation of the Risk Management Committee and of each individual member was carried out. The evaluation results were presented to the Board of Directors for acknowledgement.

Based on the consideration, the review, and the monitoring of risk management processes discussed above, the Company is believed to perform its risk management in a systematic manner with constant follow-up and improvement. Such execution plays an important role in the achievement of corporate objectives and targets, which could potentially generate increased value to the Company, its shareholders, and its stakeholders in a sustainable fashion.

On behalf of the Risk Management Committee



Mr. Sukrit Surabotsopon

Chairman of the Risk Management Committee

UNLIMITED
OPPORTUNITIES
INVEST IN GROWTH,
APPRECIATE
IN VALUE,**ENSURE**
EXCELLENT PERFORMANCE,
INCREASE
ECONOMIC GROWTH,
CREATE NATIONAL
WEALTH.

FINANCIAL

REPORT OF THE AUDIT COMMITTEE

DEAR SHAREHOLDERS,

The Board of Directors of PTT Global Chemical Public Company Limited has placed great importance on maintaining internal control measures. The Board has therefore set up an Audit Committee that is composed of three Independent Directors. These Directors are experts with experience in areas such as management, finance, accounting, economics, laws, and other fields. Mr. Somchai Kuvijitsuwan is the Chairman of the Committee, with Mr. Amnuay Preemonwong and Mrs. Raweporn Kuhirun as Directors for the Committee. The Committee's composition meets all standards set forth by the Stock Exchange of Thailand.

The Audit Committee has performed its duties and responsibilities as per outlined by the Company's Board of Directors, as well as per the Committee Charter set forth for the Audit Committee by the Company. Such duties and responsibilities were in accordance with roles specified by Stock Exchange of Thailand regulations. In particular, that these roles be independent and are enhanced through cooperation with management, and internal and external auditors. In 2012, the Audit Committee held 8 meetings with perfect attendance. A report of the Committee activities in 2012 was submitted to the Board on February 15th, 2013. The summary of activities and operations of the Audit Committee is detailed below:

1. **Review of Financial Statements:** The Audit Committee conducted reviews of quarterly financial statements and the budget for the 2012 fiscal year. These reviews were attended by related members of management as well as by auditors to clarify any questions that arose. The auditors reported their findings, specifically that the budget was followed as specified, in a lawful manner and meet the standards set forth by financial reporting. Financial statements and summaries of Company operations should be done in accordance with generally accepted accounting principles. As such, the Audit Committee received approval from the auditors. Disclosures noted in the financial standards were found to be of an adequate standard. Among the findings of the Audit Committee, no significant issue was found by the auditors. It was also found that the Audit Committee maintained constant monitoring of management operations. Furthermore, the Audit Committee held meetings with auditors without the presence of members of management, to independently provide reviews and discuss issues that were related to financial statements. These issues included the scope of auditors, internal control measures related to financial statements, the disclosure of information, transactions to connected parties, and other issues.
2. **Review of Risk Management:** The Board of Directors and members of management understand the importance of risk management. They have therefore set policies and a framework to govern risk management that meets the standards of COSO Enterprise Risk Management. An assessment of internal risk factors within the Company as well as risks from outside the Company, both presently and in the future, was performed. An early warning system is in place to assist in this regard. Risk management planning as well as a constant monitoring of the progress made by risk management is done. Findings are presented to the Board for their acknowledgement on a regular basis. Furthermore, the Audit Committee is confident that PTGTC is able to adequately control and mitigate the effects of actualized risks on Company objectives and business operations.
3. **Review of the Internal Control System:** The Audit Committee has policies and systems in place to ensure that internal control and monitoring of activities is done in each department. Adjustments are continually made of internal controls, and a culture of internal control and fair practices has been built within the Company. Additionally, management is encouraged to maintain a high level of understanding of good internal control, as well as apply this

knowledge in the departments they are responsible for. Reviews of internal controls in each department are made each quarter. They found that internal controls for working processes and important systems are appropriate for the operation of business. Operations were conducted in compliance with all regulations set forth by the Securities and Exchange Commission, Stock Exchange of Thailand, as well as any other laws or regulations related to the Company's business. No significant deficiencies were discovered, and all recommended modifications are mostly completed or are in the process of being completed. Furthermore, the Audit Committee has mandated that management of working teams that support the Company's strategic direction and objectives must report the status of their internal control measures as well. The Audit Committee has made assessments of the Company's internal controls and agrees that the Company has placed a high level of importance upon internal controls. It is able to build an appropriate amount of confidence that internal controls are maintained both sufficiently and effectively.

4. **Internal Audits:** The Audit Committee has made reviews of internal controls for each department in an independent fashion and to ensure that there is an effective system of internal audit standards that are of an international quality. A framework has been created to oversee that audits are performed according to Company policies as well as the Good Corporate Governance & Business Code of Conduct handbook, as well as meet quality assurance standards. Development is done on internal audits and various information technologies are provided to help assist in making these internal audits be more efficient. Internal Audit plans are created and are completed to match a Risk Based Audit Plan Framework, in accordance with international standards as well as the strategic plan and goals of the Company. It also takes into account the possibility of risk on an organizational level. A preliminary assessment of the Audit Committee is conducted before an independent assessment is performed by external auditors. The Audit Committee has received and approved the audit plan for 2013, and is monitoring its progress. Additionally, continuous implementation of suggestions to the plan that would be beneficial to the efficiency of the internal auditing system is being undertaken.
5. **Selecting Auditors:** KPMG Phoomchai Audit Limited has been selected to act as appointed auditors. Three different auditing agencies submitted bids for their services to PTGC. The Audit Committee evaluated and reviewed the work KPMG Phoomchai Audit Limited had done the previous year, as well as the compensation for auditors. Approval was given to Mr. Vairoj Jindamaneevitak CPA No. 3565, Mr. Charoen Phosamritler CPA No. 4068, Mr. Winid Silamongkol CPA No. 3378, and Mr. Niran Lilamethawat CPA No. 2316 of KPMG Phoomchai Audit Limited to act as external auditors of PTGC in 2013. This selection was submitted to the Board for consideration and to be present to the shareholders at AGM for approval.

The Audit Committee has carried out an evaluation of both the Committee's operations and the work of each individual Director for their work in 2012. The scope of this review covered work completed during the year against the responsibilities assigned to them. A report of these findings has been made for the Board of Director's consideration.

In summary, it has been found that the Audit Committee has placed a high level of importance on internal control, as well as performed their tasks in a careful manner. Overall, PTGC has maintained good corporate governance, an efficient system for risk management, and a sufficient and appropriate internal control system. This has allowed PTGC to meet its objectives in a more efficient manner.

On behalf of the Audit Committee



(Mr. Somchai Kuvijitsuwon)

Chairman of the Audit Committee

REPORT OF THE BOARD OF DIRECTORS' ACCOUNTABILITY TO FINANCIAL REPORT

The consolidated financial statements of PTT Global Chemical Public Company Limited and its subsidiaries was prepared in compliance with the Department of Business Development's announcement dated September 14th, 2001, issued under the Accounting Act B.E. 2543's Article 11 (3) in compliance with the Federation of Accounting Professions' accounting standards.

The Board of Directors is responsible for the consolidated financial statements of PTT Global Chemical Public Company Limited and its subsidiaries, to reflect actual and appropriate financial status, revenues, expenses and cashflow. The accounting data is stored sufficiently and accurately to preserve assets and prevent corruption and irregular actions. The financial report has been completed accordingly to proper accounting policy and regular practices, and in compliance to the generally accepted accounting standards. Significant data is sufficiently disclosed in the auditor's notes, where the auditor expressed opinions on the financial statements of PTT Global Chemical Public Company Limited and its subsidiaries in the auditor's report.



(Mr. Prasert Bunsumpun)
Chairman



(Mr. Anon Sirisaengtaksin)
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate financial statements of PTT Global Chemical Public Company Limited and its subsidiaries, and of PTT Global Chemical Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2012, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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 referred to above present fairly, in all material respects, the financial position as at 31 December 2012 and the financial performance and cash flows for the year then ended of PTT Global Chemical Public Company Limited and its subsidiaries, and of PTT Global Chemical Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.



(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565
KPMG Phoomchai Audit Ltd.
Bangkok
15 February 2013

STATEMENTS OF FINANCIAL POSITION

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

| Assets | Note | Consolidated financial statements | | Separate financial statements | |
|--|-------|-----------------------------------|------------------------|-------------------------------|------------------------|
| | | 31 December | | 31 December | |
| | | 2012 | 2011 | 2012 | 2011 |
| (in Baht) | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 6 | 31,269,311,119 | 18,973,235,320 | 19,002,725,615 | 9,155,276,500 |
| Current investments | 13 | 28,792,230,328 | 3,632,406,455 | 27,000,000,000 | 2,000,000,000 |
| Trade accounts receivable and notes receivable | 5, 7 | 52,740,970,717 | 41,482,265,978 | 41,172,540,790 | 33,462,976,680 |
| Other receivables | 5, 8 | 2,664,866,647 | 1,613,749,348 | 1,542,311,238 | 1,030,393,982 |
| Inventories | 9 | 41,046,887,925 | 36,145,301,273 | 26,347,790,856 | 24,729,966,486 |
| Short-term loans to related parties | 5 | - | - | 1,905,000,000 | 3,944,680,433 |
| Current portion of long-term loans to related parties | 5 | - | - | 6,545,000,000 | 6,545,000,000 |
| Receivable from Oil Fuel Fund | | 663,810,601 | 442,270,386 | 663,810,601 | 442,270,386 |
| Value-added tax receivable | | 2,286,555,515 | 2,249,869,493 | 1,984,197,873 | 1,627,014,496 |
| Derivatives | | 30,996,018 | 54,052,594 | 7,192,148 | 11,837,570 |
| Other current assets | | 1,366,430,068 | 643,511,369 | 732,802,257 | 368,699,486 |
| Non-current assets held for sale | 10 | 29,338,000 | - | 29,338,000 | - |
| Total current assets | | 160,891,396,938 | 105,236,662,216 | 126,932,709,378 | 83,318,116,019 |
| Non-current assets | | | | | |
| Investments in subsidiaries | 5, 11 | - | - | 68,154,724,375 | 59,111,587,259 |
| Investments in jointly-controlled entity | 5, 11 | - | - | 210,000,000 | 210,000,000 |
| Investments in associates | 5, 12 | 6,150,975,823 | 6,177,580,837 | 3,398,891,913 | 3,398,891,913 |
| Other long-term investments | 13 | 607,181,684 | 327,022,741 | 290,738,392 | 290,738,392 |
| Long-term loans to related parties | 5 | 1,219,428,000 | - | 11,665,657,276 | 16,886,000,000 |
| Property, plant and equipment | 14 | 240,497,110,636 | 235,343,015,627 | 135,197,564,337 | 135,255,213,114 |
| Goodwill | 16 | 10,769,445,327 | 10,741,678,397 | 7,009,726,812 | 7,009,726,812 |
| Land leasehold right | 15 | 1,132,139,979 | 1,167,902,994 | 976,048,335 | 1,064,602,733 |
| Intangible assets | 17 | 10,080,431,267 | 8,505,126,747 | 4,026,437,745 | 4,246,373,891 |
| Derivatives | | 137,753,019 | 346,719,945 | 137,753,019 | 346,719,945 |
| Deferred tax assets | 18 | 669,117,230 | 364,107,061 | - | - |
| Other non-current assets | | 3,906,993,339 | 4,756,840,715 | 2,473,304,936 | 3,424,188,265 |
| Total non-current assets | | 275,170,576,304 | 267,729,995,064 | 233,540,847,140 | 231,244,042,324 |
| Total assets | | 436,061,973,242 | 372,966,657,280 | 360,473,556,518 | 314,562,158,343 |

The accompanying notes are an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

| Liabilities and equity | Note | Consolidated financial statements | | Separate financial statements | |
|--|-------|-----------------------------------|------------------------|-------------------------------|------------------------|
| | | 31 December | | 31 December | |
| | | 2012 | 2011 | 2012 | 2011 |
| (in Baht) | | | | | |
| Current liabilities | | | | | |
| Short-term loans from financial institutions | 19 | 2,868,804,078 | 2,102,809,184 | - | - |
| Trade accounts payable | 5, 20 | 38,485,181,772 | 27,268,919,047 | 31,747,233,494 | 22,932,326,825 |
| Other payables | 5, 21 | 8,878,080,641 | 7,264,372,969 | 4,276,225,985 | 4,387,783,492 |
| Payables to contractors | 5 | 3,450,235,110 | 2,046,845,613 | 3,257,806,190 | 1,394,822,644 |
| Short-term loans from related parties | 5, 19 | - | - | 3,935,835,990 | 1,200,769,349 |
| Current portion of long-term loans | | | | | |
| from financial institutions | 19 | 5,523,366,931 | 5,273,873,805 | 2,852,276,161 | 3,441,745,905 |
| Current portion of long-term loans | | | | | |
| from other parties | 19 | 12,143,646 | - | - | - |
| Current portion of debentures | 19 | 8,000,000,000 | 9,698,832,960 | 8,000,000,000 | 9,698,832,960 |
| Current portion of subordinated loan | 5, 19 | - | 4,988,172,818 | - | 4,988,172,818 |
| Income tax payable | | 1,277,608,441 | 833,825,099 | 1,247,839,792 | 667,143,891 |
| Derivatives | | 31,961,603 | 77,024,696 | 25,578,146 | 8,613,711 |
| Other current liabilities | 22 | 1,117,734,647 | 512,781,723 | 609,359,073 | 302,947,049 |
| Total current liabilities | | 69,645,116,869 | 60,067,457,914 | 55,952,154,831 | 49,023,158,644 |
| Non-current liabilities | | | | | |
| Long-term loans from financial institutions | 19 | 54,728,936,556 | 54,824,188,156 | 34,190,531,567 | 31,658,061,703 |
| Long-term loans from other parties | 19 | 442,795,347 | - | - | - |
| Debentures | 19 | 65,280,468,674 | 43,277,518,114 | 65,280,468,674 | 43,277,518,114 |
| Deferred tax liabilities | 18 | 3,931,047,880 | 3,420,013,592 | 3,176,654,170 | 2,972,681,338 |
| Employee benefit obligations | 23 | 3,074,087,085 | 2,101,758,491 | 1,157,216,427 | 1,057,100,210 |
| Derivatives | | 142,888,086 | 229,275,362 | 126,632,960 | 144,375,727 |
| Other non-current liabilities | | 772,038,207 | 592,273,898 | 294,846,025 | 309,985,852 |
| Total non-current liabilities | | 128,372,261,835 | 104,445,027,613 | 104,226,349,823 | 79,419,722,944 |
| Total liabilities | | 198,017,378,704 | 164,512,485,527 | 160,178,504,654 | 128,442,881,588 |

The accompanying notes are an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

| Liabilities and equity | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|------------------------|-------------------------------|------------------------|
| | | 31 December | | 31 December | |
| | | 2012 | 2011 | 2012 | 2011 |
| | | (in Baht) | | | |
| Equity | | | | | |
| Share capital | 24 | | | | |
| Authorised share capital | | 45,129,302,690 | 45,129,302,690 | 45,129,302,690 | 45,129,302,690 |
| Issued and paid-up share capital | | 45,088,491,170 | 45,061,129,360 | 45,088,491,170 | 45,061,129,360 |
| Equity from exercising warrants under the Employee Vested stock options in the process of exercise | | - | 46,730,261 | - | 46,730,261 |
| Share premium | 25 | 36,978,396,897 | 36,839,313,917 | 36,978,396,897 | 36,839,313,917 |
| Surplus on business combination | 25 | 12,086,007,975 | 12,086,007,975 | 13,505,861,611 | 13,505,861,611 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Legal reserve | 25 | 4,512,930,269 | 4,512,930,269 | 4,512,930,269 | 4,512,930,269 |
| Loan repayment reserve | | 807,802,564 | 807,802,564 | 807,802,564 | 807,802,564 |
| Projects expansion reserve | | 12,446,994,126 | 12,446,994,126 | 12,446,994,126 | 12,446,994,126 |
| Unappropriated | | 110,159,175,502 | 86,290,201,235 | 86,954,575,227 | 72,898,514,647 |
| Other component of equity | 25 | 352,816,862 | 413,146,889 | - | - |
| Equity attributable to owners of the Company | | 222,432,615,365 | 198,504,256,596 | 200,295,051,864 | 186,119,276,755 |
| Non-controlling interests | | 15,611,979,173 | 9,949,915,157 | - | - |
| Total equity | | 238,044,594,538 | 208,454,171,753 | 200,295,051,864 | 186,119,276,755 |
| Total liabilities and equity | | 436,061,973,242 | 372,966,657,280 | 360,473,556,518 | 314,562,158,343 |

The accompanying notes are an integral part of these financial statements

STATEMENTS OF INCOME

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|------------------------|-------------------------------|-----------------------|
| | | For the year ended | For the period 19 | For the year ended | For the period 19 |
| | Note | 31 December 2012 | October 2011 to | 31 December 2012 | October 2011 to |
| | | | 31 December 2011 | | 31 December 2011 |
| | | (in Baht) | | | |
| Income | | | | | |
| Revenue from sale of goods | 5, 35 | 562,810,895,739 | 104,433,308,577 | 470,265,119,864 | 88,751,326,380 |
| Revenue from rendering of services | 5, 35 | 2,806,153,605 | 396,713,403 | 368,565,066 | 73,111,263 |
| Investment income | 5, 27 | 797,987,071 | 170,812,043 | 12,653,810,517 | 1,484,235,144 |
| Derivative gain | | 2,035,153,723 | 710,485,495 | 1,788,393,203 | 560,268,924 |
| Net foreign exchange gain | | 821,399,393 | - | 766,876,207 | - |
| Gain from step acquisition | 28 | - | 857,395,956 | - | - |
| Gain on bargain purchase | 4 | 943,893,319 | - | - | - |
| Other income | 5 | 1,802,076,598 | 206,758,933 | 1,037,863,517 | 230,247,781 |
| Total income | | 572,017,559,448 | 106,775,474,407 | 486,880,628,374 | 91,099,189,492 |
| Expenses | | | | | |
| Cost of sale of goods | 5, 9 | 515,391,233,742 | 98,584,450,781 | 447,352,924,211 | 86,147,665,337 |
| Cost of rendering of services | 5 | 1,105,530,012 | 145,049,343 | 165,332,567 | 42,668,539 |
| Selling expenses | 29 | 2,312,592,337 | 383,862,956 | 502,083,623 | 90,720,188 |
| Administrative expenses | 30 | 9,691,984,345 | 2,395,738,102 | 6,191,348,155 | 1,666,853,091 |
| Loss from impairment of investment | 11 | - | - | 586,386,922 | - |
| Finance costs | 33 | 6,320,475,850 | 1,213,191,204 | 5,108,808,577 | 944,648,633 |
| Derivative loss | | 1,286,815,476 | 1,060,696,632 | 1,200,862,841 | 897,824,462 |
| Net foreign exchange loss | | - | 745,919,736 | - | 641,138,406 |
| Total expenses | | 536,108,631,762 | 104,528,908,754 | 461,107,746,896 | 90,431,518,656 |
| Share of loss of equity-accounted investees | 12 | (43,981,981) | (122,539,637) | - | - |
| Profit before income tax expense | | 35,864,945,705 | 2,124,026,016 | 25,772,881,478 | 667,670,836 |
| Income tax expense | 34 | 1,416,072,492 | 240,777,523 | 1,584,520,239 | 61,006,780 |
| Profit for the year/period | | 34,448,873,213 | 1,883,248,493 | 24,188,361,239 | 606,664,056 |
| Profit (loss) attributable to: | | | | | |
| Owners of the Company | | 34,001,274,926 | 2,113,439,517 | 24,188,361,239 | 606,664,056 |
| Non-controlling interests | | 447,598,287 | (230,191,024) | - | - |
| Profit for the year/period | | 34,448,873,213 | 1,883,248,493 | 24,188,361,239 | 606,664,056 |
| Earnings per share (in Baht) | | | | | |
| Basic earnings per share | 36 | 7.54 | 0.47 | 5.37 | 0.13 |
| Diluted earnings per share | | 7.54 | 0.47 | 5.37 | 0.13 |

The accompanying notes are an integral part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

| | Consolidated financial statements | | Separate financial statements | |
|---|--|--|--|--|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | <i>(in Baht)</i> | | | |
| Profit for the year/period | 34,448,873,213 | 1,883,248,493 | 24,188,361,239 | 606,664,056 |
| Other comprehensive income (loss) | | | | |
| Foreign currency translation differences for foreign operations | 143,998,816 | (8,501,276) | - | - |
| Other comprehensive income (loss) for the year/period, net of income tax | 143,998,816 | (8,501,276) | - | - |
| Total comprehensive income for the year/period | 34,592,872,029 | 1,874,747,217 | 24,188,361,239 | 606,664,056 |
| Total comprehensive income (loss) attributable to: | | | | |
| Owners of the Company | 33,940,944,899 | 2,114,013,530 | 24,188,361,239 | 606,664,056 |
| Non-controlling interests | 651,927,130 | (239,266,313) | - | - |
| Total comprehensive income for the year/period | 34,592,872,029 | 1,874,747,217 | 24,188,361,239 | 606,664,056 |

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

| | | | | | | | | | | | | | | | |
|---|----------------|-------------|----------------|----------------|---------------|-------------|----------------|----------------|-------------|------------|-------------|-----------------|----------------|-----------------|--|
| For the period 19 October 2011 to 31 December 2011 | | | | | | | | | | | | | | | |
| Balance at 19 October 2011 | | | | | | | | | | | | | | | |
| | 45,059,846,380 | 48,592,589 | 36,832,791,806 | 12,086,007,975 | 4,506,028,838 | 807,802,564 | 12,446,994,126 | 84,183,663,149 | 401,574,238 | 10,998,638 | 412,572,876 | 196,384,300,303 | 10,189,181,470 | 206,573,481,773 | |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | | | | | | | | | |
| 24 | 1,282,980 | (1,862,328) | 6,522,111 | - | - | - | - | - | - | - | - | 5,942,763 | - | 5,942,763 | |
| Total contributions by and distributions to owners of the Company | | | | | | | | | | | | | | | |
| | 1,282,980 | (1,862,328) | 6,522,111 | - | - | - | - | - | - | - | - | 5,942,763 | - | 5,942,763 | |
| Comprehensive income for the period | | | | | | | | | | | | | | | |
| Profit | - | - | - | - | - | - | - | 2,113,439,517 | - | - | - | 2,113,439,517 | (230,191,024) | 1,883,248,493 | |
| Other comprehensive income (loss) | - | - | - | - | - | - | - | - | 574,013 | - | 574,013 | 574,013 | (9,075,289) | (8,501,276) | |
| Total comprehensive income for the period | - | - | - | - | - | - | - | 2,113,439,517 | 574,013 | - | 574,013 | 2,114,013,530 | (239,266,313) | 1,874,747,217 | |
| Transfer to legal reserve | | | | | | | | | | | | | | | |
| 25 | - | - | - | - | 6,901,431 | - | - | (6,901,431) | - | - | - | - | - | - | |
| Balance at 31 December 2011 | | | | | | | | | | | | | | | |
| | 45,061,129,360 | 46,730,261 | 36,839,313,917 | 12,086,007,975 | 4,512,930,269 | 807,802,564 | 12,446,994,126 | 86,290,201,235 | 402,148,251 | 10,998,638 | 413,146,889 | 198,504,256,596 | 9,949,915,157 | 208,454,171,753 | |

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

1 7 6

| Consolidated financial statements | | | | | | | | | | | | | | | |
|---|------------------------------------|---------------------------------------|---|---------------------------------|----------------|-------------------------|----------------------------|------------------|------------------------------|------------------------------|----------------------------------|--|---------------------------|----------------|------------------|
| | | Retained earnings | | | | | Other components of equity | | | | | | | | |
| | | Equity from exercising warrants under | | Surplus on business combination | Legal reserve | Loans repayment reserve | Projects expansion reserve | Unappropriated | Currency translation changes | Change in investment holding | Total other components of equity | Equity attributable to owners of the Company | Non-controlling interests | Total equity | |
| | | Issued and paid-up share capital | Vested stock options in the process of exercise | Share premium | | | | (in Baht) | | | | | | | |
| Year ended 31 December 2012 | | | | | | | | | | | | | | | |
| Balance at 1 January 2012 | | | | | | | | | | | | | | | |
| | | 45,061,129,360 | 46,730,261 | 36,839,313,917 | 12,086,007,975 | 4,512,930,269 | 807,802,564 | 12,446,994,126 | 86,290,201,235 | 402,148,251 | 10,998,638 | 413,146,889 | 198,504,256,596 | 9,949,915,157 | 208,454,171,753 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | | | | | |
| Contributions by and distributions | | | | | | | | | | | | | | | |
| to owners of the Company | | | | | | | | | | | | | | | |
| 24 | Issue of ordinary shares | 27,361,810 | (39,704,885) | 139,082,980 | - | - | - | - | - | - | - | - | 126,739,905 | - | 126,739,905 |
| | Unexercised warrants | - | (7,025,376) | - | - | - | - | 7,025,376 | - | - | - | - | - | - | - |
| 37 | Dividends to owners of the Company | - | - | - | - | - | - | (10,139,326,035) | - | - | - | - | (10,139,326,035) | (493,932,597) | (10,633,258,632) |
| Total contributions by and distributions | | | | | | | | | | | | | | | |
| to owners of the Company | | | | | | | | | | | | | | | |
| | | 27,361,810 | (46,730,261) | 139,082,980 | - | - | - | (10,132,300,659) | - | - | - | - | (10,012,586,130) | (493,932,597) | (10,506,518,727) |
| Changes in ownership interests in subsidiaries | | | | | | | | | | | | | | | |
| Recognition of non-controlling interests through business combination | | | | | | | | | | | | | | | |
| 4 | | - | - | - | - | - | - | - | - | - | - | - | - | 5,504,069,483 | 5,504,069,483 |
| Total changes in ownership interests in subsidiaries | | | | | | | | | | | | | | | |
| | | - | - | - | - | - | - | - | - | - | - | - | - | 5,504,069,483 | 5,504,069,483 |
| Comprehensive income for the year | | | | | | | | | | | | | | | |
| | Profit | - | - | - | - | - | - | 34,001,274,926 | - | - | - | - | 34,001,274,926 | 447,598,287 | 34,448,873,213 |
| | Other comprehensive income (loss) | - | - | - | - | - | - | - | (60,330,027) | - | (60,330,027) | (60,330,027) | - | 204,328,843 | 143,998,816 |
| Total comprehensive income for the year | | | | | | | | | | | | | | | |
| | | - | - | - | - | - | - | 34,001,274,926 | (60,330,027) | - | (60,330,027) | 33,940,944,899 | 651,927,130 | 34,592,872,029 | 34,592,872,029 |
| Balance at 31 December 2012 | | | | | | | | | | | | | | | |
| | | 45,088,491,170 | - | 36,978,396,897 | 12,086,007,975 | 4,512,930,269 | 807,802,564 | 12,446,994,126 | 110,159,175,502 | 341,818,224 | 10,998,638 | 352,816,862 | 222,432,615,365 | 15,611,979,173 | 238,044,594,538 |

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For the period 19 October 2011 to 31 December 2011

Balance at 19 October 2011

45,059,846,380 48,592,589 36,832,791,806 13,505,861,611 4,506,028,838 807,802,564 12,446,994,126 72,298,752,022 185,506,669,936

Transactions with owners, recorded directly in equity

Contributions by and distributions to owners of the Company

Issue of ordinary shares

24 1,282,980 (1,862,328) 6,522,111 - - - - - 5,942,763

Total contributions by and distributions to owners of the Company

1,282,980 (1,862,328) 6,522,111 - - - - - 5,942,763

Comprehensive income for the period

Profit

- - - - - - - - - 606,664,056

Other comprehensive income

- - - - - - - - - -

Total comprehensive income for the period

- - - - - - - - - 606,664,056

Transfer to legal reserve

25 - - - - 6,901,431 - - - (6,901,431) -

Balance at 31 December 2011

45,061,129,360 46,730,261 36,839,313,917 13,505,861,611 4,512,930,269 807,802,564 12,446,994,126 72,898,514,647 186,119,276,755

The accompanying notes are an integral part of these financial statements

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

| | Consolidated financial statements | | Separate financial statements | |
|---|--|--|--|--|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | (in Baht) | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Profit for the year/period | 34,448,873,213 | 1,883,248,493 | 24,188,361,239 | 606,664,056 |
| <i>Adjustments for</i> | | | | |
| Depreciation and amortisation | 16,814,543,439 | 3,193,965,717 | 9,280,267,981 | 1,838,915,497 |
| Investment income | (797,987,071) | (170,812,043) | (12,653,810,517) | (1,484,235,144) |
| Finance costs | 6,320,475,850 | 1,213,191,204 | 5,108,808,577 | 944,648,633 |
| Gain from step acquisition | - | (857,395,956) | - | - |
| Unrealised (gain) loss on derivative | 79,519,862 | (360,880,823) | 209,610,158 | (412,752,877) |
| Unrealised (gain) loss on exchange | (130,015,320) | 663,585,850 | (204,493,448) | 596,408,091 |
| Gain on bargain purchase | (943,893,319) | - | - | - |
| (Reversal) allowance for doubtful debts expense | 8,018,782 | (1,341,625) | - | 2,002,200 |
| Loss from written-off of inventories | 50,106,900 | 358,708 | 5,719,684 | 358,708 |
| (Reversal) allowance for loss on decline in value of inventories | (76,321,242) | 45,702,785 | - | (14,337,731) |
| Loss from impairment of investment | - | - | 586,386,922 | - |
| Allowance for impairment of assets | 338,294,010 | 39,725,504 | 100,950,021 | 29,900,169 |
| Actuarial losses | 219,799,908 | 331,107,415 | - | 159,985,861 |
| (Gain) loss on disposal of property, plant and equipment | 2,630,437 | 1,848,435 | 9,276,933 | (5,788,142) |
| Provision for employee benefit | 344,960,970 | 42,669,511 | 126,128,367 | 18,222,822 |
| Realised deferred pipeline income and equipment and other income | (18,715,484) | (3,475,864) | (14,574,247) | (2,925,870) |
| Share of loss of equity-accounted investees, net of income tax expense | 43,981,981 | 122,539,637 | - | - |
| Dilution gain from conversion of warrant in associate | (275,615,278) | (182,922) | - | - |
| Income tax expense | 1,416,072,492 | 240,777,523 | 1,584,520,239 | 61,006,780 |
| | 57,844,730,130 | 6,384,631,549 | 28,327,151,909 | 2,338,073,053 |

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

| | Consolidated financial statements | | Separate financial statements | |
|---|--|--|--|--|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | (in Baht) | | | |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade accounts receivable and notes receivable | (7,700,720,526) | 6,143,978,456 | (7,785,995,751) | 7,092,745,339 |
| Other receivables | (1,037,430,196) | (263,844,266) | (613,445,676) | (277,333,435) |
| Inventories | (1,479,889,810) | 5,326,220,768 | (1,623,544,054) | 5,571,160,692 |
| Value-added tax receivable | 46,125,990 | (1,115,508,773) | (357,183,377) | (1,159,151,821) |
| Other current assets | (722,918,698) | 101,194,421 | (364,102,771) | 16,579,727 |
| Other non-current assets | (490,805,242) | (555,733,271) | (162,510,101) | (433,426,029) |
| Trade accounts payable | 9,071,196,380 | (6,609,106,412) | 8,812,845,890 | (7,681,217,889) |
| Other payables | 592,700,302 | 729,218,583 | (215,162,058) | 1,084,700,818 |
| Other current liabilities | 604,952,925 | (41,106,248) | 306,412,025 | (36,534,018) |
| Employee benefit obligations | (176,788,096) | (24,308,010) | (26,012,150) | (8,892,000) |
| Other non-current liabilities | (410,699,746) | (143,667,932) | 7,448,864 | (156,659,961) |
| Cash generated from operating activities | 56,140,453,413 | 9,931,968,865 | 26,305,902,750 | 6,350,044,476 |
| Income tax paid | (1,259,268,609) | (38,999,073) | (813,949,231) | (6,594,468) |
| Net cash from operating activities | 54,881,184,804 | 9,892,969,792 | 25,491,953,519 | 6,343,450,008 |
| <i>Cash flows from investing activities</i> | | | | |
| Interest received | 611,281,545 | 186,699,747 | 1,553,476,619 | 497,878,681 |
| Dividends received | 300,369,689 | - | 10,915,794,779 | 1,445,426,000 |
| Purchase of property, plant and equipment | (8,851,331,155) | (837,244,653) | (5,636,271,291) | (169,111,379) |
| Sale of property, plant and equipment | 53,089,668 | 22,706,580 | 33,334,371 | 17,308,150 |
| (Increase) decrease in current investment | (25,159,823,873) | 1,611,665,037 | (25,000,000,000) | 1,940,000,000 |
| Proceeds from short-term loans to related parties | - | - | 2,426,680,433 | - |
| Proceeds from long-term loans to related parties | - | - | 6,545,000,000 | 1,673,000,000 |
| Increase in short-term loans to related parties | - | - | (387,000,000) | (1,502,822,545) |
| Increase in long-term loans to related parties | (1,240,795,000) | - | (1,345,283,994) | - |
| Purchase of intangible assets | (743,230,698) | (287,523,192) | (223,744,688) | (201,652,528) |
| Proceeds from investment in subsidiary | - | - | 312,824,078 | - |
| Cash outflow for invesment in subsidiary and jointly-controlled entity | (6,658,815,101) | - | - | - |
| Cash outflow for investments in subsidiaries | - | - | (9,942,348,116) | - |
| Cash outflow for investments in associate | - | (7,500,000) | - | (7,500,000) |
| Net cash from (used in) investing activities | (41,689,254,925) | 688,803,519 | (20,747,537,809) | 3,692,526,379 |

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|-------------------------------------|-------------------------------|-------------------------------------|
| | For the year ended | For the period 19 | For the year ended | For the period 19 |
| <i>Note</i> | 31 December 2012 | October 2011 to 31 December 2011 | 31 December 2012 | October 2011 to 31 December 2011 |
| | <i>(in Baht)</i> | | | |
| Cash flows from financing activities | | | | |
| Finance costs paid | (6,677,072,168) | (1,420,310,966) | (5,459,914,192) | (1,105,993,572) |
| Dividend paid | (10,534,018,210) | (166,848,174) | (10,139,326,035) | - |
| Finance lease payments | (271,288,647) | (38,193,676) | (152,421,698) | (25,806,485) |
| Proceeds from short-term loans from financial institutions | 11,214,883,684 | 5,192,239,392 | 8,000,000,000 | 4,850,000,000 |
| Proceeds from short-term loans from related parties | - | - | 3,225,184,562 | 1,100,742,361 |
| Proceeds from long-term loans from other parties | 474,156 | - | - | - |
| Proceeds from long-term loans from financial institutions | 19,498,885,956 | 2,389,967,981 | 19,035,685,000 | 2,000,000,000 |
| Repayment of short-term loans | | | | |
| from financial institutions | (11,149,681,826) | (11,276,933,354) | (8,000,000,000) | (10,887,000,000) |
| Repayment of short-term loans | | | | |
| from related parties | - | - | (490,117,921) | - |
| Repayment of long-term loans from other parties | (232,160,925) | - | - | - |
| Repayment of long-term loans | | | | |
| from financial institutions | (19,311,177,678) | (12,091,362,867) | (17,057,403,543) | (11,604,453,789) |
| Proceeds from issue of debentures | 30,460,645,584 | - | 30,460,645,584 | - |
| Repayment of debentures | (9,623,584,145) | - | (9,623,584,145) | - |
| Repayment of subordinated loan | (4,823,819,000) | - | (4,823,819,000) | - |
| Proceeds from issue of share capital | 126,739,905 | 5,942,763 | 126,739,905 | 5,942,763 |
| Net cash from (used in) financing activities | (1,321,173,314) | (17,405,498,901) | 5,101,668,517 | (15,666,568,722) |
| Net increase (decrease) in cash and cash equivalents | 11,870,756,565 | (6,823,725,590) | 9,846,084,227 | (5,630,592,335) |
| Cash and cash equivalents at beginning of year/period | 18,973,235,320 | 25,865,424,056 | 9,155,276,500 | 14,763,858,505 |
| Effect of exchange rate changes on balances held in | | | | |
| foreign currencies at end of year/period | 425,319,234 | (68,463,146) | 1,364,888 | 22,010,330 |
| Cash and cash equivalents at end of year/period | 31,269,311,119 | 18,973,235,320 | 19,002,725,615 | 9,155,276,500 |

The accompanying notes are an integral part of these financial statements

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

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PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and 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 15 February 2013.

1 General information

PTT Global Chemical Public Company Limited, “PTTGC”, arose from the amalgamation between PTT Chemical Public Company Limited, “PTTCH”, and PTT Aromatics and Refining Public Company Limited, “PTTAR”, which was registered on 19 October 2011 in accordance with the Public Company Limited Act, B.E. 2535 (1992). The amalgamation has resulted in the exchange of shares of PTTCH and PTTAR with the Company’s shares for PTTCH’s and PTTAR’s shareholders whose names appear in the Shareholder’s registration book of PTTCH and PTTAR. PTTGC is entitled to all the assets, liabilities, rights, obligations and commitments of both PTTCH and PTTAR, including the benefits, liabilities and commitments under agreements that PTTCH and PTTAR entered into prior to the amalgamation.

PTT Global Chemical Public Company Limited, the “Company”, is incorporated in Thailand and has its registered offices as follows:

| | |
|---|--|
| Head Office | : 555/1, Energy Complex, Building A, 14th - 18th Floor, Vibhavadi-Rangsit Road, Chatuchak, Bangkok, Thailand |
| Branch 1 (Rayong office Branch) | : 59, Radniyom Road, Tambon Noenphra, Amphoe Mueang Rayong, Rayong, Thailand |
| Branch 2 (Olefin I-1 Road Branch) | : 14, I-1 Road, Tambon Map Ta Phut, Amphoe Mueang Rayong, Rayong, Thailand |
| Branch 3 (Olefin I-4 Road Branch) | : 9, I-4 Road, Tambon Map Ta Phut, Amphoe Mueang Rayong, Rayong, Thailand |
| Branch 4 (Aromatics 1 Branch) | : 4, I-2 Road, Tambon Map Ta Phut, Amphoe Mueang Rayong, Rayong, Thailand |
| Branch 5 (Aromatics 2 Branch) | : 98/9, Rayong 3191 Road, Tambon Map Ta Phut, Amphoe Mueang Rayong, Rayong, Thailand |
| Branch 6 (Refining Branch) | : 8, I-8 Road, Tambon Map Ta Phut, Amphoe Mueang Rayong, Rayong, Thailand |
| Branch 7 (Jetty and Buffer Tank Farm Branch) | : 19, Rong Pui Road, Tambon Map Ta Phut, Amphoe Mueang Rayong, Rayong, Thailand |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

| | |
|---|--|
| Branch 8 (Aromatics reserve Branch) | : 11, I-4 Road, Tambon Map Ta Phut, Amphoe Mueang Rayong, Rayong, Thailand |
| Branch 9 (Lab Service Center Branch) | : 24/9, Pakorn Songkro-Rat Road, Tambon Map Ta Phut, Amphoe Mueang Rayong, Rayong, Thailand |
| Branch 10 (Applications & Quality Assurance Center Branch) | : 123, Sun Towers Building B, 40th Floor, Soi Chaoey Phuang, Vibhavadi- Rangsit Road, Chomphon, Chatuchak, Bangkok, Thailand. |

The Board of Governors of the SET approved the listing of the Company on the day that the Registrar accepted the registration of the amalgamation on 19 October 2011.

The Company is a company in the PTT Public Company Limited ("PTT") group of companies. PTT is incorporated in Thailand and is the major shareholder of the Company, holding 48.89% of the Company's issued and paid-up share capital.

The principal businesses of the Company are production and distribution of ethylene, propylene polyethylene and biochemical products. By-products are mixed C4, pyrolysis gasoline, cracker bottom and tail gas and refining and provision of integrated petroleum products and production and distribution of aromatics products with plans to proceed with the production of aromatic products. Minor activities are production and distribution of electricity, water, steam and other utilities. In addition, the Company also operates production support facilities such as jetty and buffer tank farm services for liquid chemical, oil and gas. Details of the Company's subsidiaries and jointly - controlled entities as at 31 December were as follows:

| Name of the entity | Type of business | Country of incorporation | Ownership interest (%) | |
|---|--|--------------------------|------------------------|------|
| | | | 2012 | 2011 |
| <i>Direct subsidiaries</i> | | | | |
| Bangkok Polyethylene Plc. | Manufacturing and distributing petrochemical products | Thailand | 100 | 100 |
| Bio Creation Co., Ltd. | Manufacturing and distributing petrochemical products, health and nutrition products | Thailand | 100 | 100 |
| Bio Spectrum Co., Ltd. | Manufacturing and distributing biochemical products | Thailand | 75 | 75 |
| TOC Glycol Co., Ltd. | Manufacturing and distributing petrochemical products | Thailand | 100 | 100 |
| Thai Ethanolamines Co., Ltd. (in process of liquidation) | Manufacturing and distributing petrochemical products | Thailand | 100 | 100 |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

| Name of the entity | Type of business | Country of incorporation | Ownership interest (%) | |
|--|---|--------------------------|------------------------|------|
| | | | 2012 | 2011 |
| <i>Direct subsidiaries (continue)</i> | | | | |
| Thai Oleochemicals Co., Ltd. | Manufacturing and distributing biochemical products | Thailand | 100 | 100 |
| Thai Tank Terminal Limited | Service for the storage and handling of liquid chemicals, oil and gas | Thailand | 51 | 51 |
| PTT Polyethylene Co., Ltd. | Manufacturing and distributing petrochemical products | Thailand | 100 | 100 |
| PTT Maintenance and Engineering Co., Ltd. | Maintenance factory and services engineering | Thailand | 60 | 60 |
| NPC Safety and Environmental Service Co., Ltd. | Safety and environmental services | Thailand | 100 | 100 |
| PTT Chemical International Pte. Ltd. | Holding and operating international business | Singapore | 100 | 100 |
| PTT Phenol Co., Ltd. | Manufacturing and distributing petrochemical products | Thailand | 60 | 60 |
| PTT Utility Co., Ltd. | Manufacturing and distributing utilities | Thailand | 60 | 60 |
| <i>Indirect subsidiaries</i> | | | | |
| Thai Fatty Alcohol Co., Ltd. | Manufacturing and distributing biochemical products | Thailand | 100 | 100 |
| Thai Styrenics Co., Ltd. | Manufacturing and distributing petrochemical products | Thailand | 100 | 100 |
| PTT Chemical International (Asia Pacific ROH) Ltd. | Services rendering to the Group | Thailand | 100 | 100 |
| PTTGC International (USA) Inc. | Holding and operating international business | United States of America | 100 | 100 |
| PTTGC International (Netherlands) B.V. | Holding and operating international business | Netherlands | 100 | 100 |
| Vencorex Holding | Manufacturing and distributing chemical specialties | France | 51 | - |
| <i>Jointly-controlled entity</i> | | | | |
| Thai Ethoxylate Co., Ltd. | Manufacturing and distributing petrochemical products | Thailand | 50 | 50 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

| Name of the entity | Type of business | Country of incorporation | Ownership interest (%) | |
|--|---|--------------------------|------------------------|------|
| | | | 2012 | 2011 |
| <i>Indirect jointly-controlled entity</i> | | | | |
| Emery Oleochemical (M) Sdn. Bhd. | Manufacturing and distributing biochemical products | Malaysia | 50 | 50 |
| NatureWorks LLC | Manufacturing and distributing bioplastic products | United States of America | 50 | - |

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 during 2012 a number of new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 42.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht, rounded to the nearest million Baht in notes to the financial statements 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 reported amounts of assets, liabilities, income and expenses. Actual results may differ from 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 4 | Acquisitions of businesses |
| Note 13 | Other investments |
| Note 16 | Goodwill |
| Note 17 | Intangible assets |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

| | |
|---------|--|
| Note 18 | Deferred tax |
| Note 23 | Measurement of defined benefit obligations |
| Note 38 | 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 and jointly-controlled entities (together referred to as the “Group”) and the Group’s interests in associates.

Business combinations

The Group/Company applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group/Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from acquiree to acquirer.

The Group recognises goodwill at the acquisition date measured as the excess of (1) over (2) as:

- (1) The aggregate of:
 - the fair value of the consideration transferred;
 - the recognised amount of any non-controlling interests in the acquiree; and
 - if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree.
- (2) The net fair value of the identifiable assets acquired and liabilities assumed.

If value of (1) is less than (2), difference is contributed to gain on bargain purchase and recognised immediately in profit or loss.

The consideration transferred is recognised at fair value at the acquisition date.

Transaction costs that the Group/Company incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

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.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring consent for strategic financial and operating decisions. The consolidated financial statements include the Group's proportionate share of the entities' assets, liabilities, revenue and expenses combined with items on a line by line basis, from the date that joint control commences until the date that joint control ceases.

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% and 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 investee, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

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 and jointly-controlled entities 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.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

(b) *Foreign currencies*

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at the reporting date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Foreign entities

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

Goodwill and fair value adjustments arising on the acquisition of foreign entities are stated at exchange rates ruling on the reporting date.

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

Foreign exchange differences arising on translation 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 operating and financing 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 is recognised immediately in profit or loss.

The fair value of interest rate swaps are based on broker quotes at the reporting date. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

The fair value of forward exchange contracts is based on their listed market price as the reporting date, if available. If a listed market price is not available, then fair value is estimated by forward contract with the same nature and maturity date at the reporting date.

(d) *Cash and cash equivalents*

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

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

(e) *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 overdue aging and future expectations of customer payments. Bad debts are written off when incurred.

(f) *Inventories*

Raw materials, work in progress and finished goods

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.

(g) *Non-current assets held for sale*

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets are measured at the lower of their carrying value and fair value less cost to sell.

(h) *Investments*

Investments in associates, subsidiaries and jointly-controlled entities

Investments in associates, subsidiaries and jointly-controlled entities in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in equity securities

Equity securities which are not marketable are stated at cost less any impairment losses.

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/Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method.

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

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

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

Leased assets

Leases in terms of which the Group/Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases are capitalised at the lower of their fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the 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/Company, 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:

| | |
|---|------------|
| Leasehold improvement | 3-30 years |
| Plant, machinery, equipment and factory tools | 3-35 years |
| Buildings and buildings improvement | 5-50 years |
| Furniture, fixtures and office equipment | 3-30 years |
| Vehicles | 3-20 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.

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Notes to the financial statements

(j) *Intangible assets*

Goodwill

Goodwill that arises upon the acquisition of businesses is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Goodwill in investment in associates is included in the carrying amount of the investment in associates, impairment loss on such an investment is deducted directly in investment in associates.

Other intangible assets

Other intangible assets that are acquired by the Group/Company 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, including expenditure on internally generated goodwill and brands, 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, other than goodwill, 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:

| | |
|---|-------------|
| Right to use pipe rack | 6-15 years |
| Right to use Jetty | 15-16 years |
| Right to use - others | 3-17 years |
| Production licence fees | 10-30 years |
| Computer software | 3-15 years |
| Customer contracts and the related customer relationships | 5-12 years |
| Trademark | 10 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/Company'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. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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.

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Notes to the financial statements

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

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. 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 stated 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 (Provident Fund) 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/Company'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.

In case of plan assets (funded defined benefit plan), the estimating amount of future benefit that employees have earned in return for their service in the current and prior periods are deducted with the fair value of any plan assets.

The discount rate is the yield at the reporting date on corporate bond with high credit quality that have maturity dates approximating the terms of the Group's/Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

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Notes to the financial statements

The calculation is performed annually by a qualified actuary using the projected unit credit method.

The Group/Company recognises all actuarial gains and losses arising from defined benefit plans in profit or loss.

Other long-term employee benefits

The Group's/Company's 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 corporate bond with high credit quality that have maturity dates approximating the terms of the Group's/Company's 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.

Termination benefits

Termination benefits are recognised as an expense when the Group/Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group/Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

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 if the Group/Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share based payments

The employee share option program allows certain of the Group's directors and employees to acquire shares of the Company under certain conditions. The proceeds received on exercise of the options, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group/Company 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 on provisions is recognised as finance cost.

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Notes to the financial statements

(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.

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposits.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's/Company'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, unwinding of the discount on provisions and contingent consideration, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments 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 which the lease adjustment is confirmed, are accounted for by revising the minimum lease payments over the remaining term of the lease.

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Notes to the financial statements

(s) *Income tax*

Income tax expense for the year/period comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that the items recognised directly in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year/period, 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.

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;
- differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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 by the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company 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/Company 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 on different tax entities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognised to the extent that it is probable that deferred tax assets can be utilised as future tax benefit. 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/Company presents basic and diluted 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 Group/Company by the weighted average number of ordinary shares outstanding during the year/period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

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Notes to the financial statements

4 Acquisitions of businesses

(i) Vencorex Holding, France

On 31 May 2012, PTTGC International (Netherlands) B.V. (“PTTGC NL”) which the Company holds a 100% interest through a subsidiary PTT Chemical International Pte. Ltd., has purchased 51% ordinary shares in Perstorp Holding France SAS (subsequently changed name to Vencorex Holding) which is incorporated in France for a cash consideration of EUR 121 million (approximately Baht 4,785 million).

Taking control of Vencorex Holding will enable the Group to move into the High Value Specialty Chemical sector which is a downstream business that will enhance higher value and provide an opportunity for future growth in accordance with the Company’s strategies.

The transaction is accounted for as a business combination in accordance with TFRS. Management is required to make preliminary assessment of the fair values of the assets, liabilities and contingent liabilities specified at the acquisition date. The Group hired an independent appraiser to determine the fair value of assets and liabilities acquired during the measurement period, which must not exceed one year from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the valuation of net assets of Vencorex Holding which the Company acquired on 31 May 2012 was completed in 4th quarter 2012.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

| | Book value | Fair value adjustments (in million Baht) | Fair value |
|--|---------------|--|---------------|
| Cash and cash equivalents | 183 | - | 183 |
| Inventories | 2,072 | 264 | 2,336 |
| Accounts receivables | 3,354 | - | 3,354 |
| Property, plant and equipment | 6,334 | 1,136 | 7,470 |
| Intangible assets | 1,438 | - | 1,438 |
| Accounts payables | (1,901) | - | (1,901) |
| Other payables | (260) | - | (260) |
| Other assets/(liabilities), net | (995) | - | (995) |
| Deferred tax assets/(deferred tax liabilities), net | 90 | (482) | (392) |
| Net identifiable assets and liabilities | 10,315 | 918 | 11,233 |
| Less non-controlling interests | | | (5,504) |
| Net assets acquired | | | 5,729 |
| Gain on a bargain purchase | | | (944) |
| Total consideration | | | 4,785 |
| Cash acquired | | | (183) |
| Net consideration - paid | | | 4,602 |

During the year from the acquisition date to 31 December 2012, the business contributed revenue of EUR 275 million (approximately Baht 10,906 million) and net loss of EUR 16 million (approximately Baht 653 million) to the Group’s results.

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Under the Securityholders Agreement, there are put options given to previous shareholders to sell an additional 49% holding in Vencorex Holding and PTTGC NL has obtained a call option to buy the remaining 49% holding in Vencorex Holding if the previous shareholders do not exercise their right with conditions and exercise prices as stipulated in the agreement.

(ii) *NatureWorks LLC, United States of America*

On 31 May 2012, PTTGC International (USA) Inc. ("PTTGC USA") which the Company holds a 100% interest through a subsidiary PTT Chemical International Pte. Ltd., has purchased 50% of the ordinary shares in NatureWorks LLC ("NatureWorks"), which is incorporated in the United States of America for a cash consideration of USD 150 million (approximately Baht 4,758 million).

The investment in NatureWorks will provide a competitive advantage to the Company because NatureWorks is the only Bio Plastic manufacturer whose production is commercially feasible. NatureWorks thus has experience and is leading the market in terms of the market share as well as the technology that is widely accepted by customers leading and has a potential for future development into other Bio Plastic products.

The transaction is accounted for as a business combination in accordance with TFRS, Management is required to make preliminary assessment of the fair values of the assets, liabilities and contingent liabilities specified at the acquisition date. The Group hired an independent appraiser to determine the fair value of assets and liabilities acquired during the measurement period, which must not exceed one year from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the valuation of net assets of NatureWorks which the Company acquired on 31 May 2012 was completed in 4th quarter 2012.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

| | Book value | Fair value adjustment (in million Baht) | Fair value |
|---------------------------------|-----------------------|--|-----------------------|
| Cash and cash equivalents | 2,701 | - | 2,701 |
| Inventories | 948 | 24 | 972 |
| Accounts receivables | 323 | - | 323 |
| Property, plant and equipment | 1,070 | 514 | 1,584 |
| Intangible assets | 24 | 346 | 370 |
| Accounts payables | (436) | - | (436) |
| Other payables | (295) | - | (295) |
| Other assets/(liabilities), net | (480) | 4 | (476) |
| Net assets acquired | 3,855 | 888 | 4,743 |
| Goodwill | | | 15 |
| Total consideration | | | 4,758 |
| Cash acquired | | | (2,701) |
| Net consideration - paid | | | 2,507 |

During the year from the acquisition date to 31 December 2012, the business contributed revenue based on investment holding totalling USD 44 million (approximately Baht 1,349 million) and net loss based on investment holding totalling USD 3 million (approximately Baht 94 million) to the Group's results.

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The Group incurred acquisition-related costs of Baht 398 million for these 2 acquisitions which included external legal fees, due diligence costs and others which were included as part of the administrative expenses in the consolidated statement of income for the period which incurred.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group/Company if the Group/Company 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/Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationship with key management and other related parties were as follows:

| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|---|--|--|
| PTT Plc. | Thailand | Major shareholder, some common management and the Company's director as a management |
| Bangkok Polyethylene Plc. | Thailand | Subsidiary, 100% shareholding, some common directors and the Company's management as a director |
| Bio Creation Co., Ltd. | Thailand | Subsidiary, 100% shareholding and the Company's management as a director |
| Bio Spectrum Co., Ltd. | Thailand | Subsidiary, 75% shareholding |
| TOC Glycol Co., Ltd. | Thailand | Subsidiary, 100% shareholding, some common management and the Company's management as a director |
| Thai Ethanolamines Co., Ltd. (in process of liquidation) | Thailand | Subsidiary, 100% shareholding and the Company's management as a director |
| Thai Oleochemicals Co., Ltd. | Thailand | Subsidiary, 100% shareholding and the Company's management as a director |
| Thai Tank Terminal Limited | Thailand | Subsidiary, 51% shareholding, some common directors and the Company's management as a director |
| PTT Polyethylene Co., Ltd. | Thailand | Subsidiary, 100% shareholding, some common directors and management and the Company's management as a director |
| PTT Maintenance and Engineering Co., Ltd. | Thailand | Subsidiary, 60% shareholding, some common directors and the Company's management as a director |

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Notes to the financial statements

| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|--|--|---|
| NPC Safety and Environmental Service Co., Ltd. | Thailand | Subsidiary, 100% shareholding , some common directors and the Company's management as a director |
| PTT Chemical International Pte. Ltd. | Singapore | Subsidiary, 100% shareholding, some common directors and the Company's management as a director |
| PTT Phenol Co., Ltd. | Thailand | Subsidiary, 60% shareholding, some common shareholder and directors and the Company's management as a director |
| PTT Utility Co., Ltd. | Thailand | Subsidiary, 60% shareholding, some common shareholder and directors and the Company's management as a director |
| Thai Fatty Alcohols Co., Ltd. | Thailand | Subsidiary of the Company's subsidiary, 100% shareholding by the Company's subsidiary and the Company's management as a director |
| Thai Styrenics Co., Ltd. | Thailand | Subsidiary of the Company's subsidiary, 100% shareholding by the Company's subsidiary and the Company's management as a director |
| PTT Chemical International (Asia Pacific ROH) Ltd. | Thailand | Subsidiary of the Company's subsidiary, 100% shareholding by the Company's subsidiary, some common directors and the Company's management as a director |
| Emery Oleochemical (M) Sdn. Bhd. | Malaysia | Jointly - controlled entity of the Company's subsidiary, 50% shareholding by the Company's subsidiary, some common directors and the Company's management as a director |
| Emeryoleo Specialities (M) Sdn. Bhd. | Malaysia | Subsidiary of jointly - controlled entity of the Company's subsidiary, 100% shareholding by an jointly - controlled entity of the Company's subsidiary |
| PTTGC International (USA) Inc. | United States of America | Subsidiary of the Company's subsidiary, 100% shareholding by the Company's subsidiary, some common management and the Company's management as a director |

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| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|---|--|--|
| PTTGC International (Netherlands) B.V. | Netherlands | Subsidiary of the Company's subsidiary, 100% shareholding by the Company's subsidiary, some common directors and the Company's management as a director |
| Vencorex Holding | France | Subsidiary of subsidiary of the Company's subsidiary, 51% shareholding by subsidiary of the Company's subsidiary, some common directors and the Company's management as a director |
| NatureWorks LLC | United States of America | Jointly – controlled entity of subsidiary of the Company's subsidiary, 50% shareholding by subsidiary of the Company's subsidiary and the Company's management as a director |
| Thai Ethoxylate Co., Ltd. | Thailand | Jointly - controlled entity, 50% shareholding and the Company's management as a director |
| Thaioil Plc. | Thailand | Major shareholding by the Company's major shareholder and some common directors |
| Thai Petroleum Pipeline Co., Ltd. | Thailand | Major shareholding by the Company's major shareholder |
| Dhipaya Insurance Plc. | Thailand | Shareholding by the Company's shareholder |
| Bangchak Petroleum Plc. | Thailand | Major shareholding by the Company's major shareholder and some common directors |
| Business Services Alliance Co., Ltd. | Thailand | Some common shareholder, the Company, the Company's subsidiary and the Company's associate, each of 25% shareholding of preferred stock |
| PTTEP Siam Limited | Thailand | Subsidiary of the Company's related party that has major shareholding by the Company's major shareholder |
| PTT Exploration and Production Plc. | Thailand | Major shareholding by the Company's major shareholder and some common directors |
| PTT Retail Services Co., Ltd. | Thailand | Subsidiary of the Company's related party that has major shareholding by the Company's major shareholder |
| PTTEP International Limited | Thailand | Subsidiary of the Company's related party that has major shareholding by the Company's major shareholder |

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| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|--|--|--|
| PTT Natural Gas Distribution Co., Ltd. | Thailand | Major shareholding by the Company's major shareholder |
| PTT Tank Terminal Limited | Thailand | Major shareholding by the Company's major shareholder |
| PTT Polymer Logistic Co., Ltd. | Thailand | Major shareholding by the Company's major shareholder |
| PTT Polymer Marketing Co., Ltd. | Thailand | Associate, 25% shareholding, major shareholding by the Company's major shareholder, and the Company's management as a director |
| PTT Asahi Chemical Co., Ltd. | Thailand | Major shareholding by the Company's major shareholder and some common directors |
| PTT ICT Solutions Co., Ltd. | Thailand | Associate, 40% shareholding and the Company's management as a director |
| PTT Energy Solutions Co., Ltd. | Thailand | Associate, 20% shareholding, major shareholding by the Company's major shareholder and the Company's management as a director |
| PTT LNG Co., Ltd. | Thailand | Major shareholding by the Company's major shareholder |
| Rayong Olefins Co., Ltd. | Thailand | Some common shareholder |
| Star Petroleum Refining Plc. | Thailand | Major shareholding by the Company's major shareholder and some common directors |
| Community Partnership Association | Thailand | The Company's director as a management and some common management |
| Vinythai Plc. | Thailand | Associate, 25% shareholding, some common directors and the Company's management as a director |
| Eastern Fluid Transport Co., Ltd. | Thailand | Associate, 15% shareholding, 15% shareholding by the Company's subsidiary and the Company's management as a director |
| HMC Polymers Co., Ltd. | Thailand | The Company's shareholder and the Company's management as a director |

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Notes to the financial statements

| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|---|--|---|
| Energy Complex Co., Ltd. | Thailand | Major shareholding by the Company's major shareholder |
| IRPC Plc. | Thailand | Major shareholding by the Company's major shareholder, some common directors and the Company's director as a management |
| Amata Natural Gas Distribution Co., Ltd. | Thailand | Subsidiary of the Company's related party that has major shareholding by the Company's major shareholder |
| Alliance Petrochemical Investment (Singapore) Pte. Ltd. | Singapore | The Company's management as a director |
| PTTEP Services Limited | Thailand | Subsidiary of the Company's related party that has major shareholding by the Company's major shareholder |
| PTT Green Energy Pte. Ltd. | Singapore | Major shareholding by the Company's major shareholder |
| PTT International Trading Pte. Ltd. | Singapore | Major shareholding by the Company's major shareholder and some common directors |
| Myriant Corporation (formerly name Myriant Technologies, Inc.) | United States of America | Associate of the Company's subsidiary, 47.35% shareholding by the Company's subsidiary and the Company's management as a director |
| Myriant Lake Providence, Inc. | United States of America | Subsidiary of associate of the Company's subsidiary, 100% shareholding by an associate of the Company's subsidiary |
| Myriant LP LLC | United States of America | Subsidiary of associate of the Company's subsidiary, 100% shareholding by an associate of the Company's subsidiary |

The pricing policies for particular types of transactions are explained further below:

Transactions

Sale of goods
Rendering of services
Purchase of goods/raw materials/ services
Interest on loan

Pricing policies

Contract price / Regional market price / World market price
Contract price
Contract price / Market price
Average cost of fund

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Notes to the financial statements

Significant transactions for the year ended 31 December 2012 and for the period 19 October 2011 to 31 December 2011 with related parties were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | <i>(in million Baht)</i> | | | |
| Major Shareholder | | | | |
| Sales of goods or rendering of services | 264,841 | 51,838 | 255,015 | 50,373 |
| Purchases of goods or receiving of services | 395,808 | 60,671 | 363,532 | 57,422 |
| Interest income | 2 | - | 1 | - |
| Other income | 25 | 135 | 25 | 134 |
| Interest expense | 167 | 61 | 167 | 61 |
| Other expense | 199 | 891 | 96 | 879 |
| Subsidiaries | | | | |
| Sales of goods or rendering of services | - | - | 37,626 | 5,316 |
| Purchases of goods or receiving of services | - | - | 19,999 | 2,329 |
| Interest income | - | - | 1,238 | 297 |
| Dividend income | - | - | 10,554 | 1,079 |
| Other income | - | - | 611 | 136 |
| Interest expense | - | - | 115 | 9 |
| Other expense | - | - | 1,272 | 137 |
| Jointly-controlled entity | | | | |
| Dividend income | - | - | 63 | - |
| Other income | - | - | 17 | 4 |
| Associates | | | | |
| Sales of goods or rendering of services | 70,176 | 12,748 | 19,124 | 3,758 |
| Purchases of goods or receiving of services | 181 | 19 | 124 | 12 |
| Interest income | 102 | - | 102 | - |
| Dividend income | 300 | 3 | 299 | 3 |
| Other income | 351 | 22 | 70 | 20 |
| Other expense | 320 | 56 | 276 | 50 |
| Other related parties | | | | |
| Sales of goods or rendering of services | 47,536 | 7,447 | 43,097 | 6,622 |
| Purchases of goods or receiving of services | 37,237 | 4,951 | 33,964 | 4,484 |
| Other income | 447 | 6 | 53 | 6 |
| Other expense | 470 | 129 | 247 | 74 |

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Notes to the financial statements

| | Consolidated financial statements | | Separate financial statements | |
|--|---|---|---|---|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 <i>(in million Baht)</i> | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| Key management personnel | | | | |
| Key management personnel compensation | | | | |
| Short-term employee benefits | 418 | 56 | 227 | 41 |
| Post-employment benefits and other long term benefits | 7 | 1 | 3 | 1 |
| Total key management personnel compensation | 425 | 57 | 230 | 42 |

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

| <i>Trade accounts receivable - related parties</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Major Shareholder | | | | |
| PTT Plc. | 22,347 | 17,576 | 21,136 | 17,046 |
| Subsidiaries | | | | |
| Bangkok Polyethylene Plc. | - | - | 2,379 | 1,580 |
| PTT Polyethylene Co., Ltd. | - | - | 57 | 12 |
| TOC Glycol Co., Ltd. | - | - | 674 | 511 |
| Thai Oleochemicals Co., Ltd. | - | - | 16 | 13 |
| Thai Tank Terminal Limited | - | - | 5 | 5 |
| Thai Styrenics Co., Ltd. | - | - | 6 | 3 |
| PTT Phenol Co., Ltd. | - | - | 2,448 | 258 |
| Associates | | | | |
| PTT Polymer Marketing Co., Ltd. | 6,462 | 5,411 | 1,397 | 1,263 |
| Vinythai Plc. | 602 | 631 | 598 | 625 |
| Other related parties | | | | |
| PTT Polymer Logistic Co., Ltd. | 7 | 5 | - | - |
| Thaioil Plc. | 33 | 45 | - | - |
| Star Petroleum Refining Co., Ltd. | 666 | 327 | 655 | 326 |
| PTTEP Siam Limited | 11 | 6 | - | - |
| PTT Exploration and Production Plc. | 2 | 3 | - | - |
| PTT Asahi Chemical Co., Ltd. | 320 | 77 | 1 | 1 |
| IRPC Plc. | 1,458 | 2,147 | 1,427 | 2,147 |
| HMC Polymers Co., Ltd. | 803 | 550 | 473 | 398 |
| PTT International Trading Pte. Ltd. | 1,284 | - | 1,284 | - |
| PTT Tank Terminal Co., Ltd. | 2 | - | - | - |
| PTTEP International Co., Ltd. | 1 | - | - | - |
| | 33,998 | 26,778 | 32,556 | 24,188 |
| <i>Less allowance for doubtful accounts</i> | - | - | - | - |
| Net | 33,998 | 26,778 | 32,556 | 24,188 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Trade accounts receivable - related parties

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | <i>(in million Baht)</i> | | | |
| Bad and doubtful debts expense for the year/period | - | - | - | - |

Other receivables - related parties

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|------|----------------------------------|------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Major Shareholder | | | | |
| PTT Plc. | 293 | 241 | 281 | 234 |
| Subsidiaries | | | | |
| TOC Glycol Co., Ltd. | - | - | 24 | 10 |
| Thai Ethanolamine Co., Ltd. | - | - | - | 10 |
| Bangkok Polyethylene Plc. | - | - | 11 | 7 |
| Bio Creation Co., Ltd. | - | - | 1 | 1 |
| PTT Chemical International Pte. Ltd. | - | - | 1 | 3 |
| PTT Chemical International (Asia Pacific ROH) Ltd. | - | - | 2 | 19 |
| PTT Polyethylene Co., Ltd. | - | - | 49 | 52 |
| PTT Maintenance and Engineering Co., Ltd. | - | - | 58 | 131 |
| Thai Fatty Alcohol Co., Ltd. | - | - | 1 | 1 |
| Thai Oleochemicals Co., Ltd. | - | - | 10 | 8 |
| Thai Tank Terminal Limited | - | - | 5 | 7 |
| NPC Safety and Environmental Service Co., Ltd. | - | - | 11 | 8 |
| PTT Utility Co., Ltd. | - | - | 6 | 5 |
| PTT Phenol Co., Ltd. | - | - | 6 | 3 |
| Vencorex Holding | - | - | 1 | - |
| Jointly - controlled entities | | | | |
| Thai Ethoxylate Co., Ltd. | - | - | 5 | 4 |
| NatureWorks LLC | - | - | 2 | - |
| Emery Oleochemical (M) Sdn. Bhd. | - | - | - | 1 |
| Associates | | | | |
| PTT Polymer Marketing Co., Ltd. | 6 | 3 | 4 | 2 |
| PTT ICT Solutions Co., Ltd. | 21 | 17 | 19 | 15 |
| PTT Energy Solutions Co., Ltd. | 6 | 2 | 6 | 1 |
| Eastern Fluid Transport Co., Ltd. | 2 | 4 | 2 | 4 |
| Myriant Corportion | 14 | - | 14 | - |
| Other related parties | | | | |
| PTT Tank Terminal Ltd. | 1 | 1 | - | - |
| PTT Asahi Chemical Co., Ltd. | 30 | 24 | - | - |
| IRPC Plc. | - | 1 | - | - |
| PTT Polymer Logistic Co., Ltd. | 2 | 1 | - | - |
| Energy Complex Co., Ltd. | 1 | 1 | - | 1 |
| Thaioil Plc. | 2 | - | 2 | - |
| Star Petroleum Refining Co., Ltd. | 7 | 8 | 5 | 9 |
| PTT Exploration and Production Plc. | 1 | - | - | - |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Other receivables - related parties

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|-------------------|----------------------------------|-------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Other related parties | | | | |
| Dhipaya Insurance Plc. | 702 | 257 | 414 | 105 |
| HMC Polymers Co., Ltd. | 5 | 12 | - | - |
| Business Service Alliance Co., Ltd. | 13 | - | 13 | - |
| Emeryoleo Specialties (M) Sdn. Bhd. | 3 | - | 3 | - |
| | <u>1,109</u> | <u>572</u> | <u>956</u> | <u>641</u> |
| Less allowance for doubtful accounts | - | - | - | - |
| Net | <u>1,109</u> | <u>572</u> | <u>956</u> | <u>641</u> |

| | Consolidated financial statements | | Separate financial statements | |
|--|---|---|---|---|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | <i>(in million Baht)</i> | | | |

Bad and doubtful debts expense
for the year/period

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

Loans to related parties

| | Interest rate | | Consolidated financial statements | | Separate financial statements | |
|--|----------------------|------|--------------------------------------|-----------------|----------------------------------|---------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | <i>(% per annum)</i> | | <i>(in million Baht)</i> | | | |
| Short-term loans | | | | | | |
| Subsidiaries | | | | | | |
| Bangkok | | | | | | |
| Polyethylene Plc. | 5.17-5.29 | 5.30 | - | - | 900 | 980 |
| Bio Creation Co., Ltd. | - | 5.30 | - | - | - | 13 |
| PTT Polyethylene Co., Ltd. | - | 5.30 | - | - | - | 1,000 |
| Thai Ethanolamines Co., Ltd. | - | 5.30 | - | - | - | 1,707 |
| TOC Glycol Co., Ltd. | 5.17-5.29 | - | - | - | 800 | - |
| NPC Safety and Environmental Service Co., Ltd. | 5.17-5.29 | 5.30 | - | - | 205 | 245 |
| | | | <u>-</u> | <u>-</u> | <u>1,905</u> | <u>3,945</u> |
| Less allowance for doubtful accounts | | | - | - | - | - |
| Short-term loans to related parties, net | | | <u>-</u> | <u>-</u> | <u>1,905</u> | <u>3,945</u> |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

| <i>Loans to related parties</i> | Interest rate | | Consolidated financial statements | | Separate financial statements | |
|--|--|------|--|----------|--------------------------------------|---------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | <i>(% per annum)</i> | | <i>(in million Baht)</i> | | | |
| Long-term loans | | | | | | |
| Subsidiaries | | | | | | |
| Bangkok | | | | | | |
| Polyethylene Plc. | 5.17-5.29 | 5.30 | - | - | 2,749 | 3,858 |
| PTT Polyethylene Co., Ltd. | 5.17-5.29 | 5.30 | - | - | 11,659 | 16,823 |
| Thai Oleochemicals Co., Ltd. | 5.17-5.29 | 5.30 | - | - | 2,080 | 2,315 |
| Thai Fatty Alcohols Co., Ltd. | 5.17-5.29 | 5.30 | - | - | 398 | 435 |
| Vencorex Holding | 6.00 | - | - | - | 105 | - |
| Indirect associate | | | | | | |
| Myriant Corporation | greater of the U.S. Prime Rate plus margin or fixed rate | - | 1,220 | - | 1,220 | - |
| | | | 1,220 | - | 18,211 | 23,431 |
| Less current portion due within one year | | | - | - | (6,545) | (6,545) |
| Less allowance for doubtful accounts | | | - | - | - | - |
| Long-term loans to related parties, net | | | 1,220 | - | 11,666 | 16,886 |

Summary of loans to related parties

| | | | | |
|--|--------------|----------|---------------|---------------|
| Short-term loans | - | - | 1,905 | 3,945 |
| Current portion due within one year | - | - | 6,545 | 6,545 |
| Long-term loans | 1,220 | - | 11,666 | 16,886 |
| | 1,220 | - | 20,116 | 27,376 |
| Less allowance for doubtful accounts | - | - | - | - |
| Total loans to related parties, net | 1,220 | - | 20,116 | 27,376 |

| Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|----------------|-------------------------------|----------------|
| | For the period | | For the period |
| For the | 19 | For the | 19 |
| year ended | October | year ended | October |
| 31 | 2011 to 31 | 31 | 2011 to 31 |
| December | December | December | December |
| 2012 | 2011 | 2012 | 2011 |
| (in million Baht) | | | |

Bad and doubtful debts expense for the year/ period

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Movements during the year ended 31 December 2012 and the period 19 October 2011 to 31 December 2011 of loans to related parties were as follows:

| <i>Loans to related parties</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|--------------|--|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Short-term loans | | | | |
| Subsidiaries | | | | |
| At 1 January 2012 | - | - | 3,945 | - |
| At 19 October 2011 | - | - | - | 2,442 |
| Increase | - | - | 387 | 1,503 |
| Decrease | - | - | (2,427) | - |
| At 31 December | - | - | 1,905 | 3,945 |
| Long-term loans | | | | |
| Subsidiaries | | | | |
| At 1 January 2012 | - | - | 23,431 | - |
| At 19 October 2011 | - | - | - | 25,104 |
| Increase | - | - | 105 | - |
| Decrease | - | - | (6,545) | (1,673) |
| | - | - | 16,991 | 23,431 |
| Associate | | | | |
| At 1 January 2012 | - | - | - | - |
| At 19 October 2011 | - | - | - | - |
| Increase | 1,220 | - | 1,220 | - |
| | 1,220 | - | 18,211 | 23,431 |
| <i>Less Current portion due within one year</i> | <i>-</i> | <i>-</i> | <i>(6,545)</i> | <i>(6,545)</i> |
| At 31 December | 1,220 | - | 11,666 | 16,886 |
| Investments in subsidiaries (Note 11) | - | - | 68,155 | 59,112 |
| Investments in jointly-controlled entity (Note 11) | - | - | 210 | 210 |
| Investments in associates (Note 12) | 6,151 | 6,178 | 3,399 | 3,399 |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

Trade accounts payable - related parties

| | Consolidated | | Separate | |
|--------------------------------------|-----------------------------|---------------|-----------------------------|---------------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Major Shareholder | | | | |
| PTT Plc. | 31,553 | 23,152 | 26,611 | 21,010 |
| Subsidiaries | | | | |
| PTT Polyethylene Co., Ltd. | - | - | 2,115 | 933 |
| PTT Utility Co., Ltd. | - | - | 340 | 114 |
| Thai Oleochemicals Co., Ltd. | - | - | 18 | 22 |
| Other related parties | | | | |
| Rayong Olefins Co., Ltd. | 39 | 4 | 39 | 4 |
| Star Petroleum Refining Co., Ltd. | 443 | 464 | 443 | 464 |
| IRPC Plc. | 1,696 | 13 | 1,618 | - |
| PTT Asahi Co., Ltd. | 20 | - | - | - |
| HMC Polymers Co., Ltd. | 71 | 25 | - | - |
| Bangchak Petroleum Plc. | - | 1 | - | - |
| PTT International Trading Pte., Ltd. | 97 | 57 | - | - |
| Total | 33,919 | 23,716 | 31,184 | 22,547 |

Other payable - related parties

| | Consolidated | | Separate | |
|--|-----------------------------|-------|-----------------------------|-------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Major Shareholder | | | | |
| PTT Plc. | 585 | 1,207 | 488 | 1,078 |
| Subsidiaries | | | | |
| Bangkok Polyethylene Plc. | - | - | 47 | 42 |
| PTT Polyethylene Co., Ltd. | - | - | 18 | 5 |
| PTT Maintenance and Engineering Co., Ltd. | - | - | 72 | 96 |
| TOC Glycol Co., Ltd. | - | - | 20 | 15 |
| Thai Ethanolamine Co., Ltd. | - | - | - | 2 |
| Thai Oleochemicals Co., Ltd. | - | - | 18 | 14 |
| Thai Tank Terminal Limited | - | - | 103 | 9 |
| NPC Safety and Environmental Service Co., Ltd. | - | - | 30 | 21 |
| PTT Utility Co., Ltd. | - | - | 2 | 1 |
| Thai Styrenics Co., Ltd. | - | - | 2 | 2 |
| PTT Chemical International Pte. Ltd. | - | - | - | 4 |
| PTT Chemical International (Asia Pacific ROH) Ltd. | - | - | 31 | - |
| Associates | | | | |
| Vinythai Plc. | 12 | 6 | 5 | 3 |
| PTT ICT Solutions Co., Ltd. | 84 | 79 | 77 | 71 |
| Eastern Fluid Transport Co., Ltd. | - | 9 | - | 9 |
| PTT Polymer Marketing Co., Ltd. | 1 | - | 1 | - |
| PTT Energy Solution Co., Ltd. | 1 | - | - | - |
| Other related parties | | | | |
| PTT Polymer Logistics Co., Ltd. | 225 | 134 | 8 | 5 |
| Dhipaya Insurance Plc. | 85 | 77 | 59 | 56 |
| IRPC Plc. | 12 | 13 | - | 10 |
| Energy Complex Co., Ltd. | 3 | 4 | 2 | 4 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Other payable - related parties

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in million Baht) | | | |
| Other related parties | | | | |
| Star Petroleum Refining Co., Ltd. | 20 | 23 | 20 | 23 |
| Business Services Alliance Co., Ltd. | 38 | 34 | 12 | - |
| PTT Asahi Chemical Co., Ltd. | 1 | 1 | - | - |
| HMC Polymer Co., Ltd. | 237 | 425 | - | - |
| Others | - | 22 | - | 22 |
| Total | 1,304 | 2,034 | 1,015 | 1,492 |

Payables to contractor - related parties

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------|----------------------------------|-----------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in million Baht) | | | |
| Subsidiary | | | | |
| PTT Maintenance and Engineering Co., Ltd. | - | - | 375 | 66 |
| Associate | | | | |
| PTT ICT Solutions Co., Ltd. | 32 | 9 | 32 | 9 |
| Total | 32 | 9 | 407 | 75 |

Loans from related parties

| | Interest rate | | Consolidated financial statements | | Separate financial statements | |
|---|---------------|-----------|--------------------------------------|----------|----------------------------------|--------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | (% per annum) | | (in million Baht) | | | |
| Short-term loans | | | | | | |
| Subsidiaries | | | | | | |
| TOC Glycol Co., Ltd. | 2.39-3.27 | 3.00-3.45 | - | - | 711 | 1,201 |
| PTT Polyethylene Co., Ltd. | 2.39-3.27 | - | - | - | 3,225 | - |
| Total loans from related parties | | | - | - | 3,936 | 1,201 |

Movements during the year ended 31 December 2012 and the period 19 October 2011 to 31 December 2011 of loans to related parties were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|--------------------------------------|----------|----------------------------------|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in million Baht) | | | |
| Loans from related parties | | | | |
| Subsidiaries | | | | |
| At 1 January 2012 | - | - | 1,201 | - |
| At 19 October 2011 | - | - | - | 100 |
| Increase | - | - | 3,225 | 1,101 |
| Decrease | - | - | (490) | - |
| At 31 December | - | - | 3,936 | 1,201 |

Current portion of subordinated loan

| | Interest rate | | Consolidated financial statements | | Separate financial statements | |
|--------------------------|---------------|------|--------------------------------------|-------|----------------------------------|-------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | (% per annum) | | (in million Baht) | | | |
| Major shareholder | | | | | | |
| PTT Plc. | - | 6.25 | - | 4,988 | - | 4,988 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Significant agreements with related parties

As at 31 December 2012, the Company has significant agreements with related parties as follows:

Olefins Sales Agreements

The Company has the Ethylene Sales Agreement with 2 related parties. One agreement guarantee to purchase Ethylene products not less than the volume specified in the agreement with the selling price based on prices prevailing in the world market. This agreement is for the period of 10 years, commencing from the date as specified in the agreement and expiring in December 2021. Another agreement had expired in December 2011, in present, there is negotiation and preparing sale and purchase agreement on monthly basis. Selling prices are determined based on Ethylene prices in the world market and then are determined based on Polyethylene price since May 2012.

The Company has 3 Ethylene Sales Agreements with a major shareholder and 2 related parties. Selling prices are determined based on prices prevailing in the world market, the Polyethylene price in the world market and Ethane price. These agreements are for the periods from 7 years to 15 years, commencing from the effective date specified in each agreement. One agreement that is expired in July 2012 is automatically renewable except for advance cancellation not less than 1 year through written notice by each party. Another two agreements are expired in August 2021 and in May 2022.

The Company has 2 Propylene Sales Agreements with 2 related parties. Selling prices are determined based on Polypropylene and Propylene prices in the world market. These agreements are for the periods from 12 years to 15 years, commencing from the effective date specified in each agreement and expiring in December 2016 and in December 2023.

By Product Sales Agreements

The Company has 2 Hydrogen Sales Agreements with 2 related parties. Selling prices in each agreement are determined based on Natural Gas price for the industry. These agreements are for the periods of 15 years, commencing from the date as specified in each agreement and expiring in March 2024 and in December 2025.

The Company has the Tail Gas Supply Agreement with a related party. Selling prices are determined based on Natural Gas price for the industry. The agreement is for the period of 15 years, commencing from the date as specified in the agreement and expiring in July 2022.

Utilities and Other Services Agreements

The Company has 2 Power Supply Agreements with 2 related parties. Selling prices in these agreements are determined based on reference price from the Provincial Electricity Authority. These agreements are for the periods of 15 years, commencing from the date as specified in each agreement and expiring in September 2014 and in December 2016.

The Company has 3 Utilities Agreements covering electricity, steam and demineralised water with 2 related parties. These agreements are for the periods from 10 years to 15 years, commencing from the date as specified in each agreement expiring in December 2016 and in December 2021 and in July 2024.

A related party has many Utilities Agreements covering steam, electricity and water with the Company and certain related parties. These agreements are for the periods of 15 years, commencing from the date as specified in each agreement expiring between July 2023 and September 2027. These agreements can be renewed for the period of 5 years with the terms and conditions agree by both parties.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

The Company has Product Transportation Agreements with a related party. The agreement is for the period of 3 years, commencing from the date as specified in the agreement and expiring in December 2015. The agreement is automatically renewable for another period of 3 years except for advance cancellation through written notice by each party, not exceeding a total period of 15 years.

Feedstock and Fuel Gas Sales Agreements

The Company has the LPG Supply Agreement with a major shareholder. Selling prices are determined based on the Polypropylene price. The agreement is for the period of 15 years, commencing from the date as specified in the agreement and expiring in May 2021.

The Company has the Natural Gas Supply Agreement with a major shareholder. Selling prices are determined based on fuel oil prices. The agreement is for the period of 20 years, commencing from the date as specified in the agreement and expiring in December 2018. The agreement is renewable for the period of 4 years, by providing not less than 1 year advance written notice to the counterparty.

The Company has 2 Natural Gas purchase and sales agreements with a major shareholder. Selling prices are determined based on gas price as specified in the agreement and on the Thailand Producer Price Index (PPI). The agreement is for the period of 10 years, commencing from the date as specified in the agreements and expiring in May 2018 and December 2018.

Certain related parties have 6 Natural Gas purchase and sales agreements with a major shareholder. Selling price in 5 agreements based on gas price as specified in the agreement and another agreement is determined based on the Thailand Producer Price Index. These agreements are for the period from 10 years to 15 years, commencing from the date as specified in each agreement and expiring between November 2019 and January 2024.

The Company has Benzene Supply agreement with a related party. Selling price is determined based on the benzene price as specified in the agreement. The agreement is for the period of 15 years, commencing from the date as specified in the agreements and expiring in March 2024.

The Company has the Natural Gas Liquid Supply Agreement with a major shareholder. Selling prices are determined based on the standard price of Naphtha in the region. The agreement is for the period of 15 years, commencing from the date as specified in the agreement and expiring in May 2021. The agreement is renewable for the period of 5 years with the agreement of both parties.

The Company has 2 Ethane, Propane and LPG Supply Agreements with a major shareholder. Selling prices in the agreement are determined based on the Polyethylene and Polypropylene price and another agreement is determined based on the Polyethylene price. These agreements have been extended and consequently will expire in December 2020.

The Company has 2 LPG Supply Agreements with a major shareholder. Selling prices are determined based on Polypropylene price. These agreements are for the period of 8 years, commencing from the date as specified in each agreement and expiring in December 2020.

A related party has the Ethane Supply Agreements with a major shareholder. Selling price is determined based on prices prevailing in the high density Polyethylene price in the world market. The agreement is for the period of 15 years, commencing from the date as specified in the agreement and expiring in January 2025. The agreement is renewable for 5 years with the agreement of both parties and 1 year prior of written notice.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

A related party has the Ethane Rich Gas Supply Agreements with a related party. Selling price is determined based on prevailing prices of Polyethylene and Polypropylene in the region. This agreement is for the period of 10 years and expires in January 2021.

From 1 August 2012, the Company and a related party have entered into the adjustment of the pricing formula in the purchase agreements of petrochemical natural gas feedstock with a major shareholder.

Petroleum Product Offtake Agreement

The Company has a purchase and sale agreements with a major shareholder and another company. For domestic sales, the product price reflects prices prevailing in Thailand for products of a similar quality that are sold in or imported to Thailand. For export sales, the product price reflects the prevailing international spot price for that product. These agreements are for the period of 18 years, commencing from the date as specified in the agreement and expiring in February 2024. The agreements are automatically renewable except for advance cancellation through written notice by each party.

Expansion Phase Product Offtake Agreement

The Company has an expansion phase product offtake agreement with a major shareholder, whereas a major shareholder agree to purchase 100% of the volume of refined petroleum products produce by reforming and upgrading complexes. As specified in the Product Offtake Agreement, at least 50% of such volume will be sold at a competitive domestic market price and the remainder sold at a competitive export market price or other mutually agreed price. The agreement is for the period of 18 years, commencing from the date as specified in the agreement and expiring in February 2024. The agreement is automatically renewable except for advance cancellation through written notice by each party.

Long-term Crude Oil and Other Raw materials Supply Agreements

The Company entered into two supply agreements for crude oil and other raw materials with a major shareholder, the reference price being based on market price of crude oil and other raw materials. These agreements are for the periods of 15 years and 20 years, expiring in December 2016 and February 2024. The agreements are automatically renewable except for advance cancellation through written notice by each party.

Crack Spread Swap Agreements

The Company has entered into crack spread swap agreements with a major shareholder to hedge the Company's oil refinery margin. Under the agreements the floating amount of the basket refinery margin, (calculated based on the Singapore price of refined petroleum products, Diesel, Gasoil, Kerosene and Fuel Oil against the price of Dubai crude oil), is swapped for a fixed amount of the basket refinery margin for a fixed quantity per month. Under the agreement, the Company shall make payment or receive of the crack spread difference according to terms and conditions stipulated in the agreements.

Crude Oil and Feedstock Time Spread Agreements

The Company has entered into crude oil and feedstock time spread agreements to mitigate price risk with a major shareholder, calculated based on the difference of the average price of crude oil and feedstock for the current month and the price of the following month. The Company shall make payment or receive of the difference according to terms and conditions stipulated in the agreements.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Purchase and Sales Aromatics Product Agreements

The Company, a major shareholder, related parties and various other companies have entered into raw material and product purchase and sales agreements. The purchase and sale prices of raw material and product are based on the prices specified in the agreements. These agreements are for the periods from 1 year to 15 years from the agreement date and expiring between 2013 to 2023. The agreements are automatically renewable except for an advance cancellation period of 3 months to 2 years through written notice by each party.

Polyethylene Purchase and Sales Agreement

The Company and two related parties have the polyethylene purchase and sales agreement with a related party. The Company agree to sell all Polyethylene to a related party for distributing to the customers in the market. Under the agreement, the Polyethylene pricing structure is changed to link to the Polyethylene product price, which the Company sells to end customers, adjusted by the appropriate marketing expenses for fairness to both parties. These agreements are for the periods of 15 years, commencing from the effective date as specified in each agreement. Two agreements will expire in December 2021 and another will expire in January 2022.

Loan Agreements

The Company has an unsecured loan agreement with a related party for the long-term credit facility of Baht 25,300 million. The loan bears interest at the rate of the Company's average cost of funds. This loan is repayable in quarterly instalments, commencing from June 2010 and due within 5 years.

The Company has an unsecured loan agreement with a related party for the long-term credit facility of Baht 4,605 million. The loan bears interest at the rate of the Company's average cost of funds. This long-term loan is repayable in semi-annually instalments, commencing from June 2011 and due within 5 years.

The Company has an unsecured loan agreement with a related party with the credit facility of Baht 4,015 million. The loan agreement consists of long-term loan totaling Baht 2,315 million and short-term loan totaling Baht 1,700 million. The loan bears interest at the rate of the Company's average cost of funds. This long-term loan is repayable in semi-annual instalments, commencing from June 2012 and due within 10 years.

The Company has an unsecured loan agreement with a related party with the credit facility of Baht 485 million. The loan agreement consists of long-term loan totaling Baht 435 million and short-term loan totaling Baht 50 million. The loan bears interest at the rate of the Company's average cost of funds. This long-term loan is repayable in semi-annual instalments, commencing from June 2012 and due within 12 years.

The Company have 2 secured loan agreements with a related party for the long-term credit facility of USD 40 million. The loan bears interest at the greater of United States Prime Rate plus margin or fixed rate. This long-term loan is repayable at the end of the loan agreement in July 2015 and March 2016.

The Company has a unsecured loan agreements with a related party for the long-term credit facility of EUR 60 million. The loan bears interest at fixed rate. This long-term loan is repayable at the end of the loan agreement in July 2017.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

The Company has unsecured short-term lending agreements for the period of 3 years through Liquidity Management System “LMS” with 3 related parties with the credit facility of Baht 3,400 million. These loans bear interest at the rate of the Company’s average cost of funds.

The Company has unsecured short-term borrowing agreements for the period of 3 years through Liquidity Management System “LMS” with 3 related parties with the credit facility of Baht 15,000 million. These loans bear interest at the rate of the Company’s average return on current investment minus 0.25% per annum.

The Company provides unsecured short-term loans to 2 related parties by receiving the promissory notes amounting to Baht 1,005 million. The loans bear interest at the rate of the Company’s average cost of funds. The promissory notes are expiring within 1 month and are renewable.

Service Agreements

The Company has All Quality Guarantee, Machinery and Equipment Checking with a related party, for the period of 3 years, which expires in February 2014.

The Company has Shared Service Agreements with its 10 related parties for the provision of general services. Subsequently, on 1 January 2012, the Company provide share service with two another related parties. All of these agreements are effective from the date as specified in the agreements and are automatically renewable until either party agrees to terminate with 3 months written notice. The service charges will be agreed in the fourth quarter of each year.

The Company has Security Service and Fire Protection Agreements with a related party. The agreements are to provide security and fire protection service to asset, employees and visitors in the location of the Company. The agreement is for the period of 3 years and will expire in December 2014.

The Company has a Warehouse Management System Agreement for the HDPE plant with a related party, for the period of 3 years, which expires in December 2013.

The Company has Design Construction and Installation Service Agreement BD Pipeline Storage Tanks and the facilities for BV Project with a related party. The agreement duration is 2 years and will be expired in December 2013.

The Company has a Technical Services Agreement with a related party. Under the contract, the Company agreed to obtain certain technical advisory services, limited to 2,100 service hours in each year. The agreement duration is 5 years, including the initial service fee as specified in the agreement which will be adjusted in line with the increase in the labour cost index. The agreement can be automatically renewed for 5 years.

The Company has the Lab Analysis Service Agreement with a related party. The agreement is for the period of 1 year and is automatically renewable and may be terminated by either party giving 1 month prior written notice.

Office Rental Agreement

The Company has Office Rental and Service Agreement with a related party. The agreement is for the period of 2 years and expires in September 2014 with rental and service rate and conditions as stipulated in the agreement.

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

6 Cash and cash equivalents

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|--|---------------|--|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Cash on hand | 3 | 5 | - | - |
| Cash at banks - current accounts | 2,990 | 1,091 | (11) | 51 |
| Cash at banks - savings accounts | 9,194 | 3,600 | 7,316 | 891 |
| Cash at banks - foreign accounts | 699 | 384 | 695 | 113 |
| Fixed deposits | 3,048 | 39 | 3 | - |
| Highly liquid current investments | 15,335 | 13,854 | 11,000 | 8,100 |
| Total | 31,269 | 18,973 | 19,003 | 9,155 |

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

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|--|---------------|--|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Thai Baht (THB) | 26,831 | 17,823 | 18,305 | 9,042 |
| United States Dollars (USD) | 2,904 | 446 | 697 | 112 |
| Euro (EUR) | 719 | 341 | - | - |
| Singapore Dollar (SGD) | 121 | 7 | - | - |
| Japanese (JPY) | 89 | 37 | - | - |
| Ringgit (MYR) | 570 | 276 | - | - |
| Others | 35 | 43 | 1 | 1 |
| Total | 31,269 | 18,973 | 19,003 | 9,155 |

7 Trade accounts receivable and notes receivable

| | <i>Note</i> | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|-------------|--|---------------|--|---------------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | <i>(in million Baht)</i> | | | |
| Related parties | 5 | 33,998 | 26,778 | 32,556 | 24,188 |
| Other parties | | 18,796 | 14,733 | 8,638 | 9,296 |
| | | 52,794 | 41,511 | 41,194 | 33,484 |
| Less allowance for doubtful accounts | | (53) | (29) | (21) | (21) |
| Net | | 52,741 | 41,482 | 41,173 | 33,463 |

| | Consolidated financial statements | | Separate financial statements | |
|--|---|---|---|---|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | <i>(in million Baht)</i> | | | |
| (Reversal) Bad and doubtful debts expense for the year/period | 8 | (1) | - | - |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--|----------------------|--|----------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Related parties | | | | |
| Within credit terms | 33,974 | 26,775 | 32,556 | 24,188 |
| Overdue: | | | | |
| Less than 3 months | 24 | 3 | - | - |
| 3 - 6 months | - | - | - | - |
| 6 - 12 months | - | - | - | - |
| Over 12 months | - | - | - | - |
| | <u>33,998</u> | <u>26,778</u> | <u>32,556</u> | <u>24,188</u> |
| Less allowance for doubtful accounts | - | - | - | - |
| Net | <u>33,998</u> | <u>26,778</u> | <u>32,556</u> | <u>24,188</u> |
| Other parties | | | | |
| Within credit terms | 18,117 | 14,228 | 8,574 | 9,249 |
| Overdue: | | | | |
| Less than 3 months | 611 | 460 | 43 | 28 |
| 3 - 6 months | 26 | 25 | - | 4 |
| 6 - 12 months | 13 | 15 | - | 13 |
| Over 12 months | 29 | 5 | 21 | 2 |
| | <u>18,796</u> | <u>14,733</u> | <u>8,638</u> | <u>9,296</u> |
| Less allowance for doubtful accounts | (53) | (29) | (21) | (21) |
| Net | <u>18,743</u> | <u>14,704</u> | <u>8,617</u> | <u>9,275</u> |
| Total | <u>52,741</u> | <u>41,482</u> | <u>41,173</u> | <u>33,463</u> |

The normal credit term granted by the Group/Company ranges from 15 days to 90 days.

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

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|--|----------------------|--|----------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Thai Baht (THB) | 43,063 | 34,773 | 38,522 | 30,027 |
| United States Dollars (USD) | 6,108 | 5,789 | 2,651 | 3,436 |
| Euro (EUR) | 3,284 | 644 | - | - |
| Japanese (JPY) | 79 | 138 | - | - |
| Ringgit (MYR) | 152 | 106 | - | - |
| Others | 55 | 32 | - | - |
| Total | <u>52,741</u> | <u>41,482</u> | <u>41,173</u> | <u>33,463</u> |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

8 Other receivables

| | Consolidated financial statements | | Separate financial statements | |
|-------------------|--|--------------|--|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Prepaid expenses | 1,450 | 696 | 714 | 418 |
| Accrued income | 742 | 323 | 347 | 149 |
| Other receivables | 333 | 544 | 438 | 446 |
| Others | 140 | 51 | 43 | 17 |
| Total | 2,665 | 1,614 | 1,542 | 1,030 |

9 Inventories

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|--|---------------|--|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Finished goods | 16,348 | 12,807 | 8,688 | 7,773 |
| Work in progress | 1,806 | 2,195 | - | - |
| Raw materials | 11,383 | 9,460 | 10,044 | 8,257 |
| Factory supplies and spare parts | 7,972 | 6,518 | 4,084 | 3,738 |
| Goods in transit | 3,750 | 5,324 | 3,532 | 4,962 |
| | 41,259 | 36,304 | 26,348 | 24,730 |
| Less allowance for decline in value | (184) | (159) | - | - |
| allowance for obsolescence | (28) | - | - | - |
| Net | 41,047 | 36,145 | 26,348 | 24,730 |

| | Consolidated financial statements | | Separate financial statements | |
|--|---|--|---|--|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | <i>(in million Baht)</i> | | | |
| Inventories recognised as an expense in 'cost of sales of goods' for the period | | | | |
| - Cost | 515,467 | 98,538 | 447,353 | 86,162 |
| - (Reversal of) write - down | (76) | 46 | - | (14) |
| Net | 515,391 | 98,584 | 447,353 | 86,148 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

10 Non-current assets held for sale

Part of a non-current asset is presented as held for sale following the commitment of the Group's management. Efforts to sell have commenced, and a sale is expected by March 2013. Details of the assets classified as held for sale as at 31 December were as follows:

| | Consolidated and Separate financial statements 2012 (in million Baht) |
|-------------------------------|---|
| Assets | |
| Non-current assets - Catalyst | 29 |
| | 29 |

11 Investments in subsidiaries and jointly-controlled entity

| | Separate financial statements (in million Baht) | |
|--|---|---------------|
| | 2012 | 2011 |
| Investment in subsidiaries | | |
| At 1 January 2012 | 59,112 | - |
| At 19 October 2011 | - | 59,112 |
| Acquisitions | 9,942 | - |
| Impairment losses | (586) | - |
| Capital distribution | (313) | - |
| At 31 December | 68,155 | 59,112 |
| Investment in jointly-controlled entity | | |
| At 1 January 2012 | 210 | - |
| At 19 October 2011 | - | 210 |
| Acquisitions | - | - |
| Impairment losses | - | - |
| At 31 December | 210 | 210 |
| Total | | |
| At 1 January 2012 | 59,322 | - |
| At 19 October 2011 | - | 59,322 |
| Acquisitions | 9,942 | - |
| Impairment losses | (586) | - |
| Capital distribution | (313) | - |
| At 31 December | 68,365 | 59,322 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Investments in subsidiaries and jointly-controlled entity as at 31 December, and dividend income for the year ended 31 December 2012 and for the period 19 October 2011 to 31 December 2011 were as follows:

| Separate financial statement | | | | | | | | | | | | | | |
|--|------------------------|------|-----------------|--------|--------|--------|-------------------|------|---------------|--------|---------------------------------|------|-----------------|-------|
| | Ownership interest (%) | | Paid-up capital | | Cost | | Impairment | | At cost - net | | Fair value of listed securities | | Dividend income | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | | | | | | | (in million Baht) | | | | | | | |
| Subsidiaries | | | | | | | | | | | | | | |
| Bangkok Polyethylene Plc. | 100 | 100 | 1,700 | 1,700 | 3,664 | 3,664 | - | - | 3,664 | 3,664 | - | - | - | - |
| TOC Glycol Co., Ltd. | 100 | 100 | 5,395 | 5,395 | 5,395 | 5,395 | - | - | 5,395 | 5,395 | - | - | 4,315 | 1,079 |
| Thai Ethanolamine Co., Ltd. (in process of liquidation) | 100 | 100 | 900 | 900 | 1 | 900 | - | - | 1 | 900 | - | - | - | - |
| Bio Creation Co., Ltd. | 100 | 100 | 370 | 280 | 370 | 280 | - | - | 370 | 280 | - | - | - | - |
| Thai Oleochemicals Co., Ltd. | 100 | 100 | 7,400 | 7,400 | 7,400 | 7,400 | - | - | 7,400 | 7,400 | - | - | - | - |
| PTT Polyethylene Co., Ltd. | 100 | 100 | 22,000 | 22,000 | 22,600 | 22,600 | - | - | 22,600 | 22,600 | - | - | 5,720 | - |
| NPC Safety and Environmental Service Co., Ltd. | 100 | 100 | 165 | 165 | 165 | 165 | - | - | 165 | 165 | - | - | - | - |
| PTT Chemical International Pte. Ltd. | 100 | 100 | 16,668 | 6,969 | 16,821 | 6,969 | - | - | 16,821 | 6,969 | - | - | - | - |
| Bio Spectrum Co., Ltd. | 75 | 75 | 221 | 221 | 146 | 146 | - | - | 146 | 146 | - | - | - | - |
| PTT Maintenance and Engineering Co., Ltd. | 60 | 60 | 137 | 137 | 82 | 82 | - | - | 82 | 82 | - | - | 43 | - |
| Thai Tank Terminal Limited | 51 | 51 | 900 | 900 | 459 | 459 | - | - | 459 | 459 | - | - | 467 | - |
| PTT Utility Co., Ltd. | 60 | 60 | 6,859 | 6,859 | 4,500 | 4,500 | - | - | 4,500 | 4,500 | - | - | 9 | - |
| PTT Phenol Co., Ltd. | 60 | 60 | 8,351 | 8,351 | 6,552 | 6,552 | - | - | 6,552 | 6,552 | - | - | - | - |
| | | | 68,155 | 59,112 | 68,155 | 59,112 | - | - | 68,155 | 59,112 | - | - | 10,554 | 1,079 |
| Jointly-controlled entity | | | | | | | | | | | | | | |
| Thai Ethoxylate Co., Ltd. | 50 | 50 | 420 | 420 | 210 | 210 | - | - | 210 | 210 | - | - | 63 | - |
| | | | 210 | 210 | 210 | 210 | - | - | 210 | 210 | - | - | 63 | - |
| Total | | | 68,365 | 59,322 | 68,365 | 59,322 | - | - | 68,365 | 59,322 | - | - | 10,617 | 1,079 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

The following summarised financial information on jointly-controlled entity which have been proportionately consolidated in the consolidated financial statements represents the Group's share:

| | Owner-ship (%) | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities (in million Baht) | Total liabilities | Total revenues for the year/period | Total expenses for the year/period | Profit for the year/period |
|---------------------------|----------------|----------------|--------------------|--------------|---------------------|---|-------------------|------------------------------------|------------------------------------|----------------------------|
| 31 December 2012 | | | | | | | | | | |
| Thai Ethoxylate Co., Ltd. | 50 | 728 | 213 | 941 | 237 | 3 | 240 | 1,666 | 1,533 | 133 |
| 31 December 2011 | | | | | | | | | | |
| Thai Ethoxylate Co., Ltd. | 50 | 700 | 224 | 924 | 289 | 4 | 293 | 329 | 305 | 24 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Increase in investment in subsidiaries

At the Board of Directors Meeting of PTT Chemical International Pte. Ltd. held on 6 December 2011, the Board approved to increase the registered share capital of EURO 122.37 million (divided into 122.37 million shares at EURO 1 par value), to invest in PTTGC International (Netherlands) B.V., of which the company called and fully received in May 2012.

At the Board of Directors Meeting of PTT Chemical International Pte. Ltd. held on 2 April 2012, the Board approved to increase the registered share capital of USD 150.50 million (divided into 150.5 million shares at USD 1 par value), to invest in PTTGC International (USA) Inc., of which the company called and fully received in May 2012.

At the Board of Directors Meeting of PTT Chemical International Pte. Ltd. held on 21 September 2012, the Board approved to increase the registered share capital of USD 9.5 million (divided into 9.5 million shares at USD 1 par value), to invest in Emery Oleochemical (M) Sdn. Bhd. of which the company called and received of USD 5 million in December 2012.

On 30 October 2012, the Company has paid the additional paid-up capital to Bio Creation Co., Ltd. at Baht 16 per share, totalling Baht 89.60 million. The additional payment made the investment in Bio Creation Co., Ltd. increase from Baht 280 million (Baht 50 per share) to Baht 369.60 million (Baht 66 per share).

Dividends paid by subsidiaries and jointly-controlled entity

At the Annual General Meeting of the shareholders of Thai Tank Terminal Ltd. held on 20 April 2012, the shareholders approved the appropriation of dividends of Baht 101.67 per share, amounting to Baht 915 million. The dividend, amounting to Baht 614 million, was paid to the shareholders during May and December 2012, and the remaining balance of dividend, amounting to Baht 301 million, will be paid to the shareholders during 2013 depending upon the Subsidiary's cash flow.

At the Annual General Meeting of the shareholders of Thai Ethoxylate Co., Ltd. held on 24 April 2012, the shareholders approved the appropriation of dividends of Baht 30 per share, amounting to Baht 126 million. The dividend was paid to the shareholders in May 2012.

At the Annual General Meeting of the shareholders of PTT Utility Co., Ltd. held on 25 April 2012, the shareholders approved the appropriation of dividends of Baht 0.21 per share, amounting to Baht 14 million. The dividend was paid to the shareholders in May 2012.

At the Annual General Meeting of the shareholders of PTT Maintenance and Engineering Co., Ltd. held on 26 April 2012, the shareholders approved the appropriation of dividends of Baht 35.50 per share, amounting to Baht 71 million. The dividend was paid to the shareholders in April 2012.

At the Board of Directors Meeting of the shareholders of PTT Polyethylene Co., Ltd. held on 7 September 2012, the Board approved the appropriation of interim dividends of Baht 14 per share, amounting to Baht 3,080 million. The dividend was paid to the shareholders in September 2012.

At the Board of Directors Meeting of the shareholders of PTT Polyethylene Co., Ltd. held on 26 December 2012, the Board approved the appropriation of interim dividends of Baht 12 per share, amounting to Baht 2,640 million. The dividend was paid to the shareholders in December 2012.

At the Annual General Meeting of the shareholders of TOC Glycol Co., Ltd. held on 30 April 2012, the shareholders approved the appropriation of dividends of Baht 36 per share, amounting to Baht 1,942 million. The dividend was paid to the shareholders in May 2012.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

At the Board of Directors Meeting of the shareholders of TOC Glycol Co., Ltd. held on 8 June 2012, the Board approved the appropriation of interim dividends of Baht 15 per share, amounting to Baht 809 million. The dividend was paid to the shareholders in June 2012.

At the Board of Directors Meeting of the shareholders of TOC Glycol Co., Ltd. held on 26 September 2012, the Board approved the appropriation of interim dividends of Baht 14 per share, amounting to Baht 755 million. The dividend was paid to the shareholders in September 2012.

At the Board of Directors Meeting of the shareholders of TOC Glycol Co., Ltd. held on 22 November 2012, the Board approved the appropriation of interim dividends of Baht 15 per share, amounting to Baht 809 million. The dividend was paid to the shareholders in November 2012.

At the Board of Directors meeting of TOC Glycol Co., Ltd. held on 23 November 2011, the Board approved the interim dividend of Baht 20 per share, amounting to Baht 1,079 million. The dividend was paid to the shareholders during November 2011.

Others

At the Board of Directors Meeting of Thai Ethanolamine Co., Ltd. ("EA") and the Board of Directors Meeting of TOC Glycol Co., Ltd. ("TOCGC") held on 27 July 2012, the Boards approved the entire business transfers and taking transfer of the assets, liabilities, rights and obligations from EA to TOCGC. The transfer is effective under the law on 1 October 2012. Subsequently, EA had registered to liquidate the business with Department of Business Development, Ministry of Commerce on 31 October 2012. Subsequently, EA has made the partial repayment to the Company amounting to Baht 312.82 million in December 2012 which the Company recognised impairment loss of investment totalling Baht 586.39 million. For the remaining balance of investment amounting to Baht 0.79 million, the Company expects to receive from EA after completion of the liquidation process.

At the Board of Directors Meeting on 22 June 2012 and Extraordinary Shareholder Meeting of PTT Utilities Co., Ltd. ("PTTUT") in which the Company holds 60% shares on 10 September 2012, the approval of the amalgamation between PTTUT and Independent Power (Thailand) Co., Ltd. ("IPT") was made to operate the power business, including investment and future development of power business. As a result of the amalgamation, PTTUT will cease from being a subsidiary of the Company and a new company formed by the amalgamation will assume all assets, liabilities, rights, obligations and responsibilities of PTTUT and IPT. The amalgamation between PTTUT and IPT was completed on 10 January 2013. The name of the merged company is Global Power Synergy Co., Ltd. with the initial registered capital of Baht 8,630 million. The Company holds 30.31% of shares.

12 Investments in associates

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|--------------|----------------------------------|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| At 1 January 2012 | 6,178 | - | 3,399 | - |
| At 19 October 2011 | - | 6,301 | - | 3,391 |
| Share of net loss of equity- accounted associates | (44) | (122) | - | - |
| Acquisitions | - | 8 | - | 8 |
| Dividend income | (300) | (3) | - | - |
| Gain from change in investment holding | 276 | - | - | - |
| Effect of change in exchange rates | 41 | (6) | - | - |
| At 31 December | 6,151 | 6,178 | 3,399 | 3,399 |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

| Separate financial statements | | | | | | | | | | | | | | |
|-----------------------------------|------------------------|------|-----------------|-------|--------------|--------------|------------|----------|---------------|--------------|---------------------------------|--------------|-----------------|----------|
| | Ownership interest (%) | | Paid-up capital | | Cost | | Impairment | | At cost - net | | Fair value of listed securities | | Dividend income | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| (in million Baht) | | | | | | | | | | | | | | |
| <i>Associates</i> | | | | | | | | | | | | | | |
| PTT Polymer Marketing Co., Ltd. | 25 | 25 | 40 | 40 | 10 | 10 | - | - | 10 | 10 | - | - | - | - |
| Vinythai Plc. | 25 | 25 | 7,111 | 7,111 | 3,297 | 3,297 | - | - | 3,297 | 3,297 | 5,329 | 4,944 | 296 | - |
| Eastern Fluid Transport Co., Ltd. | 15 | 15 | 10 | 10 | 2 | 2 | - | - | 2 | 2 | - | - | 3 | 3 |
| PTT ICT Solutions Co., Ltd. | 40 | 40 | 150 | 150 | 60 | 60 | - | - | 60 | 60 | - | - | - | - |
| PTT Energy Solution Co., Ltd. | 20 | 20 | 150 | 150 | 30 | 30 | - | - | 30 | 30 | - | - | - | - |
| Total | | | | | 3,399 | 3,399 | - | - | 3,399 | 3,399 | 5,329 | 4,944 | 299 | 3 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

The following summarised financial information on associates which have been accounted for using the equity method is not adjusted for the percentage of ownership held by the Group:

| | Owner -ship (%) | Total assets | Total liabilities <i>(in million Baht)</i> | Total Revenues for the year/period | Net profit (loss) for the year/period |
|-----------------------------------|-----------------------|-----------------|--|---|---|
| 31 December 2012 | | | | | |
| Associates | | | | | |
| PTT Polymer Marketing Co., Ltd. | 25 | 8,084 | 7,459 | 71,135 | 147 |
| Vinythai Plc. | 25 | 21,285 | 4,688 | 17,090 | 1,692 |
| Eastern Fluid Transport Co., Ltd. | 23 | 97 | 19 | 92 | 26 |
| PTT ICT Solutions Co., Ltd. | 40 | 1,786 | 1,168 | 2,358 | 238 |
| PTT Energy Solutions Co., Ltd. | 20 | 352 | 187 | 412 | 7 |
| | | 31,604 | 13,521 | 91,087 | 2,110 |
| Indirect Associate | | | | | |
| Myriant Corporation | 47.35 | 2,952 | 2,791 | 15 | (945) |
| | | 2,952 | 2,791 | 15 | (945) |
| Total | | 34,556 | 16,312 | 91,102 | 1,165 |
| 31 December 2011 | | | | | |
| Associates | | | | | |
| PTT Polymer Marketing Co., Ltd. | 25 | 6,626 | 6,141 | 15,789 | (9) |
| Vinythai Plc. | 25 | 24,156 | 6,848 | 2,064 | (58) |
| Eastern Fluid Transport Co., Ltd. | 23 | 94 | 23 | 25 | 8 |
| PTT ICT Solutions Co., Ltd. | 40 | 1,573 | 1,196 | 541 | 55 |
| PTT Energy Solutions Co., Ltd. | 20 | 211 | 53 | 78 | 7 |
| | | 32,660 | 14,261 | 18,497 | 3 |
| Indirect Associate | | | | | |
| Myriant Corporation | 47.85 | 1,550 | 254 | 2 | (928) |
| | | 1,550 | 254 | 2 | (928) |
| Total | | 34,210 | 14,515 | 18,499 | (925) |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

13 Other investments

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|--------------|----------------------------------|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| <i>Current investment</i> | | | | |
| Promissory notes -financial institutions | 28,792 | 3,632 | 27,000 | 2,000 |
| | 28,792 | 3,632 | 27,000 | 2,000 |
| <i>Other long - term investments</i> | | | | |
| Other non marketable equity securities | | | | |
| Alliance Petrochemical Investment (Singapore) Pte. Ltd. (15.34% Shareholding by the Company) | 290 | 290 | 290 | 290 |
| Guangzhou Keylink Chemical Co., Ltd. (15% Shareholding by the Group) | 30 | 36 | - | - |
| Exeltium SAS (4% Shareholding by the Group) | 286 | - | - | - |
| Business Services Alliance Co., Ltd. (50% Preferred share Shareholding) | 1 | 1 | 1 | 1 |
| | 607 | 327 | 291 | 291 |
| Total | 29,399 | 3,959 | 27,291 | 2,291 |

The currency denomination of other long-term investments as at 31 December were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|--------------------------------------|------------|----------------------------------|------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| United States Dollars (USD) | 290 | 290 | 290 | 290 |
| Hong Kong Dollars (HKD) | 30 | 36 | - | - |
| Euro Dollars(EUR) | 286 | - | - | - |
| Thai Baht (Baht) | 1 | 1 | 1 | 1 |
| Total | 607 | 327 | 291 | 291 |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

14 Property, plant and equipment

| Consolidated financial statements | | | | | | |
|--|--------------------|---|-----------------------------------|-----------------------------------|----------|--------------------------|
| | Land & improvement | Plant, machinery, factory equipment and tools | Buildings & buildings improvement | Furniture, fixtures and equipment | Vehicles | Asset under construction |
| | | | (in million Baht) | | | |
| Cost | | | | | | Total |
| At 19 October 2011 | 6,985 | 283,767 | 13,766 | 3,200 | 932 | 17,595 |
| Additions | 38 | 239 | 22 | 32 | 10 | 1,327 |
| Transfers | 10 | 6,811 | 127 | (46) | 3 | (7,476) |
| Disposals | - | (261) | - | (38) | (9) | - |
| Effect of change in exchange rates | (1) | 23 | - | 1 | - | 12 |
| At 31 December 2011 and 1 January 2012 | 7,032 | 290,579 | 13,915 | 3,149 | 936 | 11,458 |
| Additions | 24 | 467 | 15 | 149 | 70 | 9,905 |
| Acquired through business acquisition | 301 | 6,354 | 1,006 | 3 | - | 1,390 |
| Transfers | 31 | 11,014 | 431 | 37 | (12) | (11,021) |
| Disposals | (7) | (318) | (14) | (30) | (109) | (21) |
| Effect of change in exchange rates | 6 | 394 | 22 | - | (1) | 35 |
| At 31 December 2012 | 7,387 | 308,490 | 15,375 | 3,308 | 884 | 11,746 |
| | | | | | | 347,190 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Consolidated financial statements

| | Land & improvement | Plant, machinery, factory equipment and tools | Buildings & buildings improvement | Furniture, fixtures and equipment | Vehicles | Asset under construction | Total |
|---|--------------------|---|-----------------------------------|-----------------------------------|--------------|--------------------------|------------------|
| | | | <i>(in million Baht)</i> | | | | |
| Depreciation and impairment losses | | | | | | | |
| At 19 October 2011 | (373) | (83,202) | (3,393) | (1,796) | (500) | - | (89,264) |
| Depreciation charge for the period | (12) | (2,414) | (127) | (133) | (26) | - | (2,712) |
| Disposals | - | 218 | - | 37 | 8 | - | 263 |
| Impairment losses | - | (1) | - | - | - | - | (1) |
| Effect of change in exchange rates | - | (9) | (2) | (1) | - | - | (12) |
| At 31 December 2011 and 1 January 2012 | (385) | (85,408) | (3,522) | (1,893) | (518) | - | (91,726) |
| Depreciation charge for the year | (64) | (12,999) | (689) | (443) | (120) | - | (14,315) |
| Transfers | 3 | (633) | (30) | 3 | 5 | - | (652) |
| Disposals | 1 | 257 | 5 | 32 | 108 | - | 403 |
| Impairment losses | - | - | - | - | - | (205) | (205) |
| Effect of change in exchange rates | - | (186) | (9) | (2) | (1) | - | (198) |
| At 31 December 2012 | (445) | (98,969) | (4,245) | (2,303) | (526) | (205) | (106,693) |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

| | | Consolidated financial statements | | | | |
|---|--------------|-----------------------------------|---|-----------------------------------|-----------------------------------|--------------------------|
| | | Land & improvement | Plant, machinery, factory equipment and tools | Buildings & buildings improvement | Furniture, fixtures and equipment | Vehicles |
| | | | | | (in million Baht) | |
| <i>Net book value</i> | | | | | | Asset under construction |
| At 19 October 2011 | | | | | | |
| Owned assets | 6,612 | 200,565 | 10,373 | 1,297 | 190 | 17,595 |
| Assets under finance leases | - | - | - | 107 | 242 | - |
| | 6,612 | 200,565 | 10,373 | 1,404 | 432 | 17,595 |
| | | | | | | 236,632 |
| | | | | | | 349 |
| | | | | | | 236,981 |
| At 31 December 2011 and 1 January 2012 | | | | | | |
| Owned assets | 6,647 | 205,171 | 10,393 | 1,150 | 197 | 11,458 |
| Assets under finance leases | - | - | - | 106 | 221 | - |
| | 6,647 | 205,171 | 10,393 | 1,256 | 418 | 11,458 |
| | | | | | | 235,016 |
| | | | | | | 327 |
| | | | | | | 235,343 |
| At 31 December 2012 | | | | | | |
| Owned assets | 6,942 | 209,521 | 11,130 | 912 | 191 | 11,541 |
| Assets under finance leases | - | - | - | 93 | 167 | - |
| | 6,942 | 209,521 | 11,130 | 1,005 | 358 | 11,541 |
| | | | | | | 240,237 |
| | | | | | | 260 |
| | | | | | | 240,497 |

The gross amount of the Group's fully depreciated property and equipment that was still in use as at 31 December 2012 amounted to Baht 14,991 million. (2011: Baht 11,562 million)

Security

At 31 December 2012 the Group's properties with a net book value of Baht 25 million (2011: Baht 16 million) were registered to secure Bank loan (see note 19).

Capitalised borrowing costs relating to the construction of the new factory amounted to Baht 7 million, with capitalisation rate of 4% per annum for the period from 19 October 2011 to 31 December 2011.

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

2 3 2

Separate financial statements

| | Land & improvement | Plant, Machinery, Factory equipment and tools | Buildings & Buildings improvement | Furniture, fixtures and equipment (in million Baht) | Vehicles | Asset under construction | Total |
|---|--------------------|---|-----------------------------------|--|--------------|--------------------------|-----------------|
| Cost | | | | | | | |
| At 19 October 2011 | 3,859 | 180,286 | 6,607 | 2,071 | 527 | 15,662 | 209,012 |
| Additions | 38 | 51 | 1 | 10 | 5 | 667 | 772 |
| Transfers | 8 | 6,496 | 118 | 9 | - | (7,138) | (507) |
| Disposals | - | (227) | - | (20) | - | - | (247) |
| At 31 December 2011 and 1 January 2012 | 3,905 | 186,606 | 6,726 | 2,070 | 532 | 9,191 | 209,030 |
| Additions | 21 | 175 | 3 | 99 | 58 | 7,398 | 7,754 |
| Transfers | 9 | 7,924 | 163 | 25 | - | (8,210) | (89) |
| Disposals | (5) | (175) | (11) | (15) | (71) | (10) | (287) |
| At 31 December 2012 | 3,930 | 194,530 | 6,881 | 2,179 | 519 | 8,369 | 216,408 |
| Depreciation and impairment losses | | | | | | | |
| At 19 October 2011 | (271) | (68,496) | (1,930) | (1,500) | (339) | - | (72,536) |
| Depreciation charge for the period | (5) | (1,345) | (53) | (56) | (15) | - | (1,474) |
| Disposals | - | 215 | - | 20 | - | - | 235 |
| At 31 December 2011 and 1 January 2012 | (276) | (69,626) | (1,983) | (1,536) | (354) | - | (73,775) |
| Depreciation charge for the year | (25) | (7,026) | (277) | (281) | (71) | - | (7,680) |
| Disposals | 2 | 156 | 4 | 15 | 68 | - | 245 |
| At 31 December 2012 | (299) | (76,496) | (2,256) | (1,802) | (357) | - | (81,210) |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

| | | Separate financial statements | | | | |
|---|--|-------------------------------|---|--|---|-----------------------------|
| | | Land& improvement | Plant, Machinery, Factory equipment and tools | Buildings& Buildings improvement | Furniture, fixtures and equipment | Vehicles |
| | | | | | (in million Baht) | Asset under construction |
| | | | | | | Total |
| <i>Net book value</i> | | | | | | |
| At 19 October 2011 | | | | | | |
| Owned assets | | 3,588 | 111,790 | 4,677 | 487 | 28 |
| Assets under finance leases | | - | - | - | 84 | 160 |
| | | <u>3,588</u> | <u>111,790</u> | <u>4,677</u> | <u>571</u> | <u>188</u> |
| | | | | | | <u>15,662</u> |
| | | | | | | <u>136,232</u> |
| | | | | | | <u>244</u> |
| | | | | | | <u>136,476</u> |
| At 31 December 2011 and 1 January 2012 | | | | | | |
| Owned assets | | 3,629 | 116,980 | 4,743 | 453 | 25 |
| Assets under finance leases | | - | - | - | 81 | 153 |
| | | <u>3,629</u> | <u>116,980</u> | <u>4,743</u> | <u>534</u> | <u>178</u> |
| | | | | | | <u>9,191</u> |
| | | | | | | <u>135,021</u> |
| | | | | | | <u>234</u> |
| | | | | | | <u>135,255</u> |
| At 31 December 2012 | | | | | | |
| Owned assets | | 3,631 | 118,034 | 4,625 | 298 | 22 |
| Assets under finance leases | | - | - | - | 79 | 140 |
| | | <u>3,631</u> | <u>118,034</u> | <u>4,625</u> | <u>377</u> | <u>162</u> |
| | | | | | | <u>8,369</u> |
| | | | | | | <u>134,979</u> |
| | | | | | | <u>219</u> |
| | | | | | | <u>135,198</u> |

The gross amount of the Company's fully depreciated property and equipment that was still in use as at 31 December 2012 amounted to Baht 4,020 million. (2011: Baht 3,277 million)

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

15 Land leasehold right

| | Consolidated financial statements | Separate financial statements |
|--|--|--|
| | <i>(in million Baht)</i> | |
| <i>Cost</i> | | |
| At 19 October 2011 | 2,426 | 2,317 |
| Effect of change in exchange rates | 1 | - |
| At 31 December 2011 and 1 January 2012 | 2,427 | 2,317 |
| Additions | 50 | - |
| Transfers | (11) | (11) |
| Effect of change in exchange rates | 4 | - |
| At 31 December 2012 | 2,470 | 2,306 |
| <i>Amortisation and impairment losses</i> | | |
| At 19 October 2011 | (1,242) | (1,235) |
| Amortisation charge for the period | (17) | (17) |
| At 31 December 2011 and 1 January 2012 | (1,259) | (1,252) |
| Amortisation charge for the year | (79) | (78) |
| At 31 December 2012 | (1,338) | (1,330) |
| <i>Net book value</i> | | |
| At 19 October 2011 | 1,184 | 1,082 |
| At 31 December 2011 and 1 January 2012 | 1,168 | 1,065 |
| At 31 December 2012 | 1,132 | 976 |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

16 Goodwill

Consolidated financial statements

| | <i>Note</i> | Goodwill from business combination | Goodwill from acquisition (in million Baht) | Total |
|---|-------------|--|---|---------------|
| Cost | | | | |
| At 19 October 2011 | | 7,709 | 3,029 | 10,738 |
| Effect of change in exchange rates | | - | 4 | 4 |
| At 31 December 2011 and 1 January 2012 | | 7,709 | 3,033 | 10,742 |
| Acquired through business acquisitions | 4 | - | 15 | 15 |
| Effect of change in exchange rates | | - | 12 | 12 |
| At 31 December 2012 | | 7,709 | 3,060 | 10,769 |
| Impairment losses | | | | |
| At 19 October 2011 | | - | - | - |
| Impairment loss | | - | - | - |
| At 31 December 2011 and 1 January 2012 | | - | - | - |
| Impairment loss | | - | - | - |
| At 31 December 2012 | | - | - | - |
| Net book value | | | | |
| At 19 October 2011 | | 7,709 | 3,029 | 10,738 |
| At 31 December 2011 and 1 January 2012 | | 7,709 | 3,033 | 10,742 |
| At 31 December 2012 | | 7,709 | 3,060 | 10,769 |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

Separate financial statements

| | Goodwill from business combination | Goodwill from acquisition (in million Baht) | Total |
|------------------------------------|--|---|--------------|
| <i>Cost</i> | | | |
| At 19 October 2011 | 7,010 | - | 7,010 |
| Effect of change in exchange rates | - | - | - |
| At 31 December 2011 | | | |
| and 1 January 2012 | 7,010 | - | 7,010 |
| Effect of change in exchange rates | - | - | - |
| At 31 December 2012 | 7,010 | - | 7,010 |
| <i>Impairment losses</i> | | | |
| At 19 October 2011 | - | - | - |
| Impairment loss | - | - | - |
| At 31 December 2011 | | | |
| and 1 January 2012 | - | - | - |
| Impairment loss | - | - | - |
| At 31 December 2012 | - | - | - |
| <i>Net book value</i> | | | |
| At 19 October 2011 | 7,010 | - | 7,010 |
| At 31 December 2011 | | | |
| and 1 January 2012 | 7,010 | - | 7,010 |
| At 31 December 2012 | 7,010 | - | 7,010 |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

17 Intangible assets

| | Consolidated financial statements | | | | | |
|---|--------------------------------------|----------------------|--|--------------------------|---------------------------------|------------------------------|
| | License for production process | Software licences | Customer contracts and the related customer relationships <i>(in million Baht)</i> | Right to use pipeline | Right for other operation | Intangible in progress |
| <i>Cost</i> | | | | | | Total |
| At 19 October 2011 | 4,547 | 1,376 | 3,175 | 478 | 523 | 10,440 |
| Additions | 169 | 152 | - | - | 7 | 342 |
| Transfers | 21 | 90 | - | (54) | 82 | 150 |
| Effect of change in exchange rates | - | 1 | - | - | - | - |
| At 31 December 2011 and 1 January 2012 | 4,737 | 1,619 | 3,175 | 424 | 612 | 10,932 |
| Additions | 315 | 85 | - | - | 15 | 672 |
| Acquired through business acquisitions | - | 115 | 148 | - | 1,330 | 1,808 |
| Transfers | 38 | 145 | - | 1 | 173 | 90 |
| Effect of change in exchange rates | - | 5 | (5) | - | 8 | 12 |
| At 31 December 2012 | 5,090 | 1,969 | 3,318 | 425 | 2,138 | 13,514 |
| <i>Amortisation and impairment losses</i> | | | | | | |
| At 19 October 2011 | (1,032) | (703) | - | (173) | (314) | (2,222) |
| Amortisation charge for the year | (45) | (55) | (91) | (5) | (8) | (204) |
| Transfers | - | - | - | 5 | (5) | - |
| Effect of change in exchange rates | - | (1) | - | - | - | (1) |
| At 31 December 2011 and 1 January 2012 | (1,077) | (759) | (91) | (173) | (327) | (2,427) |
| Amortisation charge for the year | (253) | (242) | (327) | (28) | (123) | (973) |
| Transfers | (33) | - | - | - | - | (33) |
| Effect of change in exchange rates | - | (4) | 2 | - | 1 | (1) |
| At 31 December 2012 | (1,363) | (1,005) | (416) | (201) | (449) | (3,434) |
| <i>Net book value</i> | | | | | | |
| At 19 October 2011 | 3,515 | 673 | 3,175 | 305 | 209 | 8,218 |
| At 31 December 2011 and 1 January 2012 | 3,660 | 860 | 3,084 | 251 | 285 | 8,505 |
| At 31 December 2012 | 3,727 | 964 | 2,902 | 224 | 1,689 | 10,080 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

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Cost

| | License for production process | Software licences | Customer contracts and the related customer relationships (in million Baht) | Right to use pipeline | Right for other operation | Intangible in progress | Total |
|---|--------------------------------------|----------------------|---|--------------------------|---------------------------------|------------------------------|--------------|
| At 19 October 2011 | 1,394 | 1,041 | 2,518 | 339 | 50 | 223 | 5,565 |
| Additions | - | 16 | - | - | - | 49 | 65 |
| Transfers | 21 | 119 | - | (29) | 53 | (25) | 139 |
| At 31 December 2011 and 1 January 2012 | 1,415 | 1,176 | 2,518 | 310 | 103 | 247 | 5,769 |
| Additions | - | 47 | - | - | 12 | 122 | 181 |
| Transfers | - | 92 | - | 1 | - | (51) | 42 |
| At 31 December 2012 | 1,415 | 1,315 | 2,518 | 311 | 115 | 318 | 5,992 |

Amortisation and impairment losses

| | | | | | | | |
|---|--------------|--------------|--------------|--------------|-------------|----------|----------------|
| At 19 October 2011 | (728) | (549) | - | (131) | (5) | - | (1,413) |
| Amortisation charge for the period | (18) | (24) | (60) | (4) | (4) | - | (110) |
| Transfers | - | - | - | 4 | (3) | - | 1 |
| At 31 December 2011 and 1 January 2012 | (746) | (573) | (60) | (131) | (12) | - | (1,522) |
| Amortisation charge for the year | (90) | (126) | (192) | (19) | (17) | - | (444) |
| At 31 December 2012 | (836) | (699) | (252) | (150) | (29) | - | (1,966) |

Net book value

| | | | | | | | |
|--|-----|-----|-------|-----|----|-----|-------|
| At 19 October 2011 | 666 | 492 | 2,518 | 208 | 45 | 223 | 4,152 |
| At 31 December 2011 and 1 January 2012 | 669 | 603 | 2,458 | 179 | 91 | 247 | 4,247 |
| At 31 December 2012 | 579 | 616 | 2,266 | 161 | 86 | 318 | 4,026 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

18 Deferred tax

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

| | Consolidated financial statements | | | |
|--|-----------------------------------|------------|----------------|----------------|
| | Assets | | Liabilities | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Total | 1,515 | 1,475 | (4,777) | (4,531) |
| Set off of tax | (846) | (1,111) | 846 | 1,111 |
| Net deferred tax assets (liabilities) | 669 | 364 | (3,931) | (3,420) |

| | Separate financial statements | | | |
|--|-------------------------------|----------|----------------|----------------|
| | Assets | | Liabilities | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Total | 664 | 852 | (3,841) | (3,825) |
| Set off of tax | (664) | (852) | 664 | 852 |
| Net deferred tax assets (liabilities) | - | - | (3,177) | (2,973) |

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

| | Consolidated financial statements | | | | |
|--|-----------------------------------|---------------------------------|--------------------------|---------------------------------|---------------------------|
| | (Charged) / credited to: | | | | |
| | At 1 January 2012 | Profit and loss (note 34) | Equity | Acquisition of subsidiary | At 31 December 2012 |
| | | | <i>(in million Baht)</i> | | |
| Deferred tax assets | | | | | |
| Inventories | 27 | (21) | - | - | 6 |
| Loss carryforward | 345 | (345) | - | - | - |
| Employee benefit expenses | 297 | 22 | - | - | 319 |
| Fair value adjustment at amalgamation date | 322 | (17) | - | - | 305 |
| Others | 484 | 282 | 3 | 115 | 885 |
| Total | 1,475 | (79) | 3 | 115 | 1,515 |
| Deferred tax liabilities | | | | | |
| Property, plant and equipment | (2,302) | 21 | - | (416) | (2,710) |
| Finance lease assets | (12) | 2 | - | - | (10) |
| Fair value adjustment at amalgamation date | (2,186) | 129 | - | - | (2,057) |
| Others | (31) | 122 | - | (91) | - |
| Total | (4,531) | 274 | - | (507) | (4,777) |
| Net | (3,056) | 195 | 3 | (392) | (3,262) |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

| | Consolidated financial statements | | | | | |
|---|-----------------------------------|---------------------------------|-----------------------------|---------------------------------|-------------------------|---------------------------|
| | | (Charged) / credited to: | | | | |
| | At 19 October 2011 | Profit and loss (note 34) | Equity (in million Baht) | Acquisition of subsidiary | Exchange differences | At 31 December 2011 |
| <i>Deferred tax assets</i> | | | | | | |
| Inventories | 21 | 6 | - | - | - | 27 |
| Loss carryforward | 53 | 292 | - | - | - | 345 |
| Employee benefit expenses | 271 | 26 | - | - | - | 297 |
| Fair value adjustment at amalgamation date | 765 | (443) | | | | 322 |
| Others | 315 | 169 | - | - | - | 484 |
| Total | 1,425 | 50 | - | - | - | 1,475 |
| <i>Deferred tax liabilities</i> | | | | | | |
| Property, plant and equipment | (1,859) | (443) | - | - | - | (2,302) |
| Finance lease assets | (7) | (5) | - | - | - | (12) |
| Net gain on remeasurement to fair value of interest rate swap contracts | (40) | 24 | - | - | - | (16) |
| Fair value adjustment at amalgamation date | (2,360) | 174 | | | | (2,186) |
| Others | (20) | 5 | - | - | - | (15) |
| Total | (4,286) | (245) | - | - | - | (4,531) |
| Net | (2,861) | (195) | - | - | - | (3,056) |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

| | At 1 January 2012 | Separate financial statements (Charged) / credited to: | | At 31 December 2012 |
|--|-------------------------|---|----------|---------------------------|
| | | Profit and loss (note 34) | Equity | |
| | | (in million Baht) | | |
| Deferred tax assets | | | | |
| Inventories | 24 | (19) | - | 5 |
| Employee benefit expenses | 213 | 2 | - | 215 |
| Loss carryforward | 345 | (345) | - | - |
| Fair value adjustment at amalgamation date | 259 | (17) | - | 242 |
| Others | 11 | 191 | - | 202 |
| Total | 852 | (188) | - | 664 |
| Deferred tax liabilities | | | | |
| Inventories | - | (19) | - | (19) |
| Property, plant and equipment | (1,851) | (140) | - | (1,991) |
| Finance lease assets | (10) | 1 | - | (9) |
| Net gain on remeasurement to fair value of interest rate swap contracts | (16) | 13 | - | (3) |
| Fair value adjustment at amalgamation date | (1,948) | 129 | - | (1,819) |
| Total | (3,825) | (16) | - | (3,841) |
| Net | (2,973) | (204) | - | (3,177) |

| | At 19 October 2011 | Separate financial statements (Charged) / credited to: | | At 31 December 2011 |
|--|--------------------------|---|----------|---------------------------|
| | | Profit and loss (note 34) | Equity | |
| | | (in million Baht) | | |
| Deferred tax assets | | | | |
| Inventories | 22 | 2 | - | 24 |
| Employee benefit expenses | 219 | (6) | - | 213 |
| Loss carryforward | - | 345 | - | 345 |
| Fair value adjustment at amalgamation date | 702 | (443) | - | 259 |
| Others | 16 | (5) | - | 11 |
| Total | 959 | (107) | - | 852 |
| Deferred tax liabilities | | | | |
| Property, plant and equipment | (1,702) | (149) | - | (1,851) |
| Finance lease assets | (5) | (5) | - | (10) |
| Net gain on remeasurement to fair value of interest rate swap contracts | (41) | 25 | - | (16) |
| Fair value adjustment at amalgamation date | (2,123) | 175 | - | (1,948) |
| Total | (3,871) | 46 | - | (3,825) |
| Net | (2,912) | (61) | - | (2,973) |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

19 Interest-bearing liabilities

| | | Consolidated financial statements | | Separate financial statements | |
|--|-------------|--|----------------|--|---------------|
| | <i>Note</i> | 2012 | 2011 | 2012 | 2011 |
| | | <i>(in million Baht)</i> | | | |
| Current | | | | | |
| Short-term loans from financial institutions | | | | | |
| unsecured | | 2,869 | 2,103 | - | - |
| Short-term loans from related parties | | | | | |
| unsecured | 5 | - | - | 3,936 | 1,201 |
| Short-term loan | | 2,869 | 2,103 | 3,936 | 1,201 |
| Current portion of long-term loans from financial institutions | | | | | |
| secured | | 2,220 | 1,582 | - | - |
| unsecured | | 3,303 | 3,692 | 2,852 | 3,442 |
| Current portion of long-term loans from other parties | | | | | |
| unsecured | | 12 | - | - | - |
| Current portion of debentures | | | | | |
| unsecured | | 8,000 | 9,699 | 8,000 | 9,699 |
| Current portion of subordinated loan | | | | | |
| unsecured | 5 | - | 4,988 | - | 4,988 |
| Current portion of long-term loans | | 13,535 | 19,961 | 10,852 | 18,129 |
| Current portion of financial lease | | 200 | 184 | 97 | 114 |
| Total current interest bearing liabilities | | 16,604 | 22,248 | 14,885 | 19,444 |
| Non-current | | | | | |
| Long-term loans from financial institutions | | | | | |
| secured | | 19,293 | 21,590 | - | - |
| unsecured | | 35,436 | 33,234 | 34,191 | 31,658 |
| Long-term loans from other parties | | | | | |
| secured | | 307 | - | - | - |
| unsecured | | 136 | - | - | - |
| Debentures unsecured | | 65,280 | 43,278 | 65,280 | 43,278 |
| Long-term loan | | 120,452 | 98,102 | 99,471 | 74,936 |
| Finance lease liabilities | | 306 | 295 | 131 | 139 |
| Total non-current interest-bearing liabilities | | 120,758 | 98,397 | 99,602 | 75,075 |
| Total | | 137,362 | 120,645 | 114,487 | 94,519 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

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

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|----------------|----------------------------------|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Within one year | 16,404 | 22,064 | 14,788 | 19,330 |
| After one year but within five years | 65,355 | 78,641 | 53,801 | 55,472 |
| After five years | 55,097 | 19,461 | 45,670 | 19,464 |
| Total | 136,856 | 120,166 | 114,259 | 94,266 |

Secured interest-bearing liabilities as at 31 December were secured on the following assets;

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|--------------------------------------|--------|----------------------------------|------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Property, Plant and equipment | 24,680 | 15,736 | - | - |

Debentures

As at 31 December 2012, the Company has unsubordinated and unsecured debentures in US dollar and Thai Baht in the amount of Baht 73,280 million (Original amount of Baht 73,019 million and fair value adjustment of Debentures from business combination of Baht 261 million) (2011: 52,977 million Baht (Original amount of Baht 52,392 million and fair value adjustment of Debentures from business combination of Baht 585 million)). These debentures have period between 5 years to 10 years, bear different interest rates and repayment schedules as specified in the agreements.

Details of the Company's debentures as at 31 December 2012 were as follows:

| | Currency | Facilities <i>(in million)</i> | Face Value Per share | Years | Interest Rates (%) p.a. | Repayment Terms |
|---|----------|-----------------------------------|-------------------------|------------|----------------------------------|---|
| Unsubordinated debentures at 99.46% of the face value unsecured | USD | 300 | 10,000 | 10 | 5.5 | Interest is payable on semi-annual basis and maturity in June 2015 |
| Unsubordinated debenture unsecured | Baht | 2,800 | 1,000 | 10 | 5.5 | Interest is payable on semi-annual basis and maturity in October 2017 |
| Unsubordinated debenture unsecured | Baht | 500 | 1,000 | 7 | 5.6 | Interest is payable on semi-annual basis and maturity in October 2015 |
| Unsubordinated debenture unsecured | Baht | 8,000 | 1,000 | 1-3 4-5 | 5.3 6 | Interest is payable on quarterly basis and maturity in December 2013 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

| | Currency | Facilities (in million) | Face Value Per share | Years | Interest Rates (%) p.a. | Repayment Terms |
|--|----------|----------------------------|-------------------------|-------------------|----------------------------------|--|
| Unsubordinated debenture unsecured | Baht | 4,000 | 1,000 | 1-3 4-5 6-7 | 5.3 6 6.45 | Interest is payable on quarterly basis and maturity in December 2015 |
| Unsubordinated debenture unsecured | Baht | 1,058 | 1,000 | 7 | 4.9 | Interest is payable on semi-annual basis and maturity in June 2016 |
| Unsubordinated debenture unsecured | Baht | 1,942 | 1,000 | 10 | 5.5 | Interest is payable on semi-annual basis and maturity in June 2019 |
| Unsubordinated debenture unsecured | Baht | 15,000 | 1,000 | 5 | 5.5 | Interest is payable on quarterly basis and maturity in April 2014 |
| Unsubordinated debenture at 99.108% of the face value unsecured | USD | 1,000 | 1,000 | 10 | 4.25 | Interest is payable on semi-annual basis and maturity in September 2022 |

Loans from financial institutions

As at 31 December 2012, the Group and the Company had long-term and revolving long-term credit facility agreements with several financial institutions totalling Baht 60,252 million and 37,043 million, respectively (Original amount of Baht 59,816 million and 36,891 million and fair value adjustment of loan from business combination of Baht 436 million and 152 million, respectively), (2011: 60,098 million Baht and 35,100 million Baht in respectively (Original amount of Baht 59,608 million and 34,930 million and fair value adjustment of loan from business combination of Baht 490 million and 170 million, respectively)), bear different interest rates as specified in the agreements. 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.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

The details of loans as at 31 December 2011 were as follows:

| Currency The Company | Facilities (in million) | Interest Interest Rates (%) p.a. | Repayment Terms |
|-------------------------|----------------------------|---|--|
| Baht | 1,000 | THBFIX 6 M plus margin | Principal is repayable on semi-annual basis, in 9 instalments commencing from October 2011. |
| Baht | 7,500 | Highest interest rate for 6 month-fixed deposit plus margin | Principal is repayable on semi-annual basis, in 15 instalments commencing from August 2011. |
| Baht | 1,500 | Fixed rate | Principal is repayable on semi-annual basis, in 9 instalments commencing from September 2011. |
| Baht | 1,600 | THBFIX 6 M plus margin | Principal is repayable on semi-annual basis, in 8 instalments commencing from March 2013 |
| Baht | 2,500 | THBFIX 6 M plus margin | Principal is repayable on annual basis, in 3 instalments commencing from July 2013. |
| Baht | 2,000 | Highest interest rate for 6 month-fixed deposit plus margin | Principal is repayable at the end of contract, in May 2017. |
| Baht | 3,000 | Prime Rate-Discount | Principal is repayable at the end of contract, in December 2017. |
| Baht | 9,898 | 6 month-fixed deposit rate plus margin | Principal is repayable on semi-annual basis, in 20 instalments commencing from March 2011. |
| USD | 100 | LIBOR plus margin | Principal is repayable on semi-annual basis, in 12 instalments commencing from July 2007. |
| USD | 80 | LIBOR 1M/3M/6M plus margin | Principal is repayable at the end of contract, in September 2015. |
| Baht | 7,000 | FDR 6 M plus margin | Principal is repayable on semi-annual basis, in 15 instalments commencing from September 2013. |
| Baht | 3,000 | THBFIX 6 M plus margin | Principal is repayable at the end of contract, in September 2018. |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

| Currency | Facilities (in million) | Interest Interest Rates (%) p.a. | Repayment Terms |
|---------------------|----------------------------|--|--|
| Subsidiaries | | | |
| Baht | 170 | THBFIX 3 M plus a margin | Principal is repayable on quarterly basis, in 12 instalments, commencing from March 2012. |
| Baht | 140 | THBFIX 3 M plus a margin | Principal is repayable on quarterly basis, in 12 instalments, commencing from September 2012. |
| Baht | 760 | BIBOR 3 M plus a margin | Principal is repayable on quarterly basis, in 14 instalments, commencing from September 2012. |
| Baht | 3,500 | FDR 6 M plus a margin | Principal is repayable on semi-annual basis, in 20 instalments commencing from February 2009. |
| Baht | 3,400 | FDR 6 M plus a margin | Principal is repayable on semi-annual basis, in 20 instalments commencing from August 2012. |
| Baht | 3,600 | FDR 6 M plus a margin | Principal is repayable on semi-annual basis, in 20 instalments commencing from December 2011. |
| Baht | 5,511 | FDR 6 M plus a margin | Principal is repayable on semi-annual basis, in 20 instalments commencing from July 2012. |
| Baht | 6,320 | FDR 6 M-average of 4 banks plus a margin | Principal is repayable on semi-annual basis, in 19 instalments commencing from September 2010. |
| Baht | 3,240 | FDR 6 M-average of 4 banks plus a margin | Principal is repayable on semi-annual basis, in 19 instalments commencing from September 2012. |
| USD | 50 | LIBOR plus a margin | Principal is repayable on annually basis, in 3 instalments commencing from January 2014. |

As at 31 December 2012, the Group and the Company had unutilised credit facilities totalling Baht 53,342 million and 48,436 million, respectively. (2011: 68,768 million and 59,273 million, respectively)

The currency denominations of interest-bearing liabilities as at 31 December were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|--|----------------|--|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Thai Baht (THB) | 86,804 | 96,829 | 68,336 | 73,597 |
| United States Dollars (USD) | 47,887 | 22,331 | 46,151 | 20,922 |
| Euro (EUR) | 1,359 | - | - | - |
| Japanese (JPY) | 18 | 82 | - | - |
| Ringgit (MYR) | 1,291 | 1,369 | - | - |
| Others | 3 | 34 | - | - |
| Total | 137,362 | 120,645 | 114,487 | 94,519 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

20 Trade accounts payable

| | | Consolidated financial statements | | Separate financial statements | |
|-----------------|------|--------------------------------------|---------------|----------------------------------|---------------|
| | Note | 2012 | 2011 | 2012 | 2011 |
| | | <i>(in million Baht)</i> | | | |
| Related parties | 5 | 33,919 | 23,716 | 31,184 | 22,547 |
| Other parties | | 4,566 | 3,553 | 563 | 385 |
| Total | | 38,485 | 27,269 | 31,747 | 22,932 |

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

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|--------------------------------------|---------------|----------------------------------|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Thai Baht (THB) | 34,724 | 20,832 | 31,650 | 17,503 |
| United States Dollars (USD) | 1,074 | 5,543 | 97 | 5,429 |
| Euro (EUR) | 2,321 | 331 | - | - |
| Singapore (SGD) | 9 | - | - | - |
| Japanese (JPY) | 13 | 32 | - | - |
| Ringgit (MYR) | 332 | 506 | - | - |
| Others | 12 | 25 | - | - |
| Total | 38,485 | 27,269 | 31,747 | 22,932 |

21 Other payables

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Accrued operating expenses | 3,461 | 2,155 | 1,652 | 1,180 |
| Accrued interest expenses | 747 | 609 | 700 | 558 |
| Other payables | 3,384 | 3,400 | 1,767 | 2,504 |
| Deposits and advances received | 454 | 594 | 5 | 3 |
| Retention payables | 117 | 248 | 35 | 9 |
| Current portion of finance leases | 200 | 184 | 97 | 114 |
| Others | 515 | 74 | 20 | 20 |
| Total | 8,878 | 7,264 | 4,276 | 4,388 |

22 Other current liabilities

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|--------------------------------------|------------|----------------------------------|------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Withholding tax payable | 298 | 270 | 248 | 226 |
| Payable to revenue department | 254 | 93 | - | - |
| Other tax payable | 373 | 54 | 309 | 35 |
| Others | 193 | 96 | 52 | 42 |
| Total | 1,118 | 513 | 609 | 303 |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

23 Employee benefit obligations

| | Consolidated financial statements | | Separate financial statements | |
|---|--|--------------|--|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Statement of financial position | | | | |
| Statement of financial position obligations for: | | | | |
| Present value of unfunded obligation | 2,484 | 1,604 | 893 | 807 |
| Present value of funded obligation | 840 | 713 | - | - |
| Other long term employee benefits | 326 | 281 | 264 | 250 |
| Total | 3,650 | 2,598 | 1,157 | 1,057 |
| Fair value of plan assets | (576) | (496) | - | - |
| Net | 3,074 | 2,102 | 1,157 | 1,057 |

| | Consolidated financial statements | | Separate financial statements | |
|--|---|---|---|---|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | <i>(in million Baht)</i> | | | |
| Statement of income: | | | | |
| Recognised in profit or loss: | | | | |
| Long-term employee benefit obligations | 271 | 41 | 94 | 15 |
| Other long-term employee benefit obligations | 40 | 3 | 32 | 3 |
| Actuarial losses | 220 | 331 | - | 160 |
| Total | 531 | 375 | 126 | 178 |

Movement in the present value of the defined benefit obligations:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------|--|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Defined benefit obligations | | | | |
| at 1 January 2012 | 2,598 | - | 1,057 | - |
| at 19 October 2011 | - | 2,280 | - | 888 |
| Defined benefit obligations from acquisition of business | 642 | - | - | - |
| Benefits paid by the plan | (177) | (25) | (26) | (9) |
| Current service costs and interest | 339 | 44 | 126 | 18 |
| Actuarial losses recognised in profit or loss | 220 | 331 | - | 160 |
| Currency translation differences | 27 | (29) | - | - |
| Others | 1 | (3) | - | - |
| Defined benefit obligations at 31 December | 3,650 | 2,598 | 1,157 | 1,057 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Expense recognised in profit or loss (note 31)

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------|---|---|---|---|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | <i>(in million Baht)</i> | | | |
| Current service costs | 205 | 25 | 76 | 14 |
| Interest on obligation | 134 | 20 | 50 | 4 |
| Expected return on plan assets | (33) | (8) | - | - |
| Actuarial losses | 220 | 331 | - | 160 |
| Others | 5 | 7 | - | - |
| Total | 531 | 375 | 126 | 178 |

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

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------|---|---|---|---|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | <i>(in million Baht)</i> | | | |
| Cost of sales | 117 | 22 | 59 | 11 |
| Administrative expenses | 194 | 22 | 67 | 7 |
| Actuarial losses | 220 | 331 | - | 160 |
| Total | 531 | 375 | 126 | 178 |

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

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|--|----------|--|----------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(%)</i> | | | |
| Discount rate as at 31 December | 2.8-5 | 4.66-4.8 | 4.8 | 4.8 |
| Future salary increases | 3.32-7 | 3.32-6 | 6 | 6 |
| Resignation rate | 0-15 | 0-6 | 0-3 | 0-6 |
| Retirement age | 60 Years | 60 Years | 60 Years | 60 Years |

Assumptions regarding future mortality are based on published statistics and mortality tables

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

The assets for funded plan were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------|--------------------------------------|------------|----------------------------------|----------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Equity securities | 320 | 290 | - | - |
| Government and corporate bonds | 222 | 176 | - | - |
| Others | 34 | 30 | - | - |
| Total | 576 | 496 | - | - |

Movement in the fair value of the plan assets:

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|------------|----------------------------------|----------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| Fair value of the plan asset as | | | | |
| at 1 January 2012 | 496 | - | - | - |
| at 19 October 2011 | - | 501 | - | - |
| Contributions paid into the plan | 54 | 14 | - | - |
| Benefits paid by plan | (18) | (10) | - | - |
| Expected return on plan assets | 34 | 24 | - | - |
| Actuarial losses | 11 | (39) | - | - |
| Currency translation differences | 3 | 9 | - | - |
| Others | (4) | (3) | - | - |
| Fair value of the plan as at 31 December | 576 | 496 | - | - |

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Notes to the financial statements

24 Share capital

| | Par value per share (Baht) | 2012 | | 2011 | |
|---------------------------|----------------------------------|----------------|---|----------------|-----------------|
| | | Number | Amount (million shares / million Baht) | Number | Amount |
| Authorised | | | | | |
| At 1 January 2012 | | | | | |
| ordinary shares | 10 | 4,512.9 | 45,129.3 | - | - |
| At 19 October 2011 | | | | | |
| ordinary shares | 10 | - | - | 4,512.9 | 45,129.3 |
| Issue of new shares | 10 | - | - | - | - |
| At 31 December | | | | | |
| ordinary shares | 10 | 4,512.9 | 45,129.3 | 4,512.9 | 45,129.3 |
| Issued and paid-up | | | | | |
| At 1 January 2012 | | | | | |
| ordinary shares | 10 | 4,506.1 | 45,061.1 | - | - |
| At 19 October 2011 | | | | | |
| ordinary shares | 10 | - | - | 4,506.0 | 45,059.8 |
| Issue of new shares | 10 | 2.7 | 27.4 | 0.1 | 1.3 |
| At 31 December | | | | | |
| ordinary shares | 10 | 4,508.8 | 45,088.5 | 4,506.1 | 45,061.1 |

During 2012, the Company issued new ordinary shares of 2.74 million shares at Baht 10 par value, total amounting to Baht 27.4 million. The details are as follows:

| Date | No. of share (million shares) | Description |
|-----------------|----------------------------------|---------------------------------------|
| 31 January 2012 | 0.53 | Supporting the conversion of warrants |
| 30 April 2012 | 0.69 | Supporting the conversion of warrants |
| 30 July 2012 | 0.29 | Supporting the conversion of warrants |
| 15 October 2012 | <u>1.23</u> | Supporting the conversion of warrants |
| Total | <u>2.74</u> | |

25 Additional paid-in capital and reserves

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.

Surplus on business combination

Surplus on business combination was mainly the result of the increase in the net value of assets of PTT Aromatics and Refining Public Company Limited, PTT Phenol Company Limited and PTT Utility Company Limited which were re-measured and recognised at fair value at the amalgamation date.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account

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("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.

26 Segment reporting

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest or dividend-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Business segments

The Group comprises the following main business segments:

| | |
|-----------|-------------------------------|
| Segment 1 | Olefins |
| Segment 2 | Aromatics and Refinery |
| Segment 3 | Polymers |
| Segment 4 | EO-Based Performance |
| Segment 5 | Oleochemicals |
| Segment 6 | High Volume Specialties (HVS) |
| Segment 7 | Services & Others |
| Segment 8 | International Business |
| Segment 9 | Dividends income and others |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Business segment results for the year ended 31 December 2012

| | Segment 1 | Segment 2 | Segment 3 | Segment 4 | Segment 5 | Segment 6 | Segment 7 | Segment 8 | Segment 9 | Elimination | Total |
|---|---------------|----------------|---------------|---------------|---------------|-------------------|---------------|----------------|---------------|-----------------|----------------|
| | | | | | | (in million Baht) | | | | | |
| Revenues | 66,504 | 391,892 | 63,651 | 16,240 | 13,581 | 16,415 | 17,761 | 28,441 | - | (48,868) | 565,617 |
| Investment income | 448 | 4 | 70 | 51 | 18 | 126 | 1,448 | 11 | 10,917 | (12,295) | 798 |
| Gain (loss) from foreign exchange | 684 | 25 | 135 | 24 | 17 | 42 | (34) | (72) | - | - | 821 |
| Gain (loss) from derivatives | (57) | 665 | (22) | - | 27 | 166 | 2 | (33) | - | - | 748 |
| Gain on bargain purchase | - | - | - | - | - | - | - | - | 944 | - | 944 |
| Other income | 58 | 160 | 754 | 68 | 77 | 53 | 923 | 666 | - | (957) | 1,802 |
| Total revenues | 67,637 | 392,746 | 64,588 | 16,383 | 13,720 | 16,802 | 20,100 | 29,013 | 11,861 | (62,120) | 570,730 |
| Cost of sale and service | 54,870 | 376,948 | 52,835 | 10,952 | 12,847 | 15,591 | 14,559 | 26,640 | - | (48,745) | 516,497 |
| Selling and administrative expense | 3,269 | 2,351 | 805 | 448 | 447 | 816 | 2,073 | 2,980 | 586 | (1,771) | 12,004 |
| Total expenses | 58,139 | 379,299 | 53,640 | 11,400 | 13,294 | 16,407 | 16,632 | 29,620 | 586 | (50,516) | 528,501 |
| Share of profit (loss) of equity-accounted investees | - | - | 430 | - | - | - | 138 | (618) | - | 6 | (44) |
| Profit (loss) before finance cost and income tax expense | 9,498 | 13,447 | 11,378 | 4,983 | 426 | 395 | 3,606 | (1,225) | 11,275 | (11,598) | 42,185 |
| Finance cost | 1,416 | 2,247 | 736 | 92 | 155 | 414 | 2,451 | 191 | - | (1,382) | 6,320 |
| Income tax expense | 934 | 360 | 36 | 20 | (1) | (103) | 176 | (6) | - | - | 1,416 |
| Profit (loss) for the year | 7,148 | 10,840 | 10,606 | 4,871 | 272 | 84 | 979 | (1,410) | 11,275 | (10,216) | 34,449 |

PTT Global Chemical Public Company Limited and its Subsidiaries

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Business segment results for the period 19 October 2011 to 31 December 2011

| | Segment 1 | Segment 2 | Segment 3 | Segment 4 | Segment 5 | Segment 6 | Segment 7 | Segment 8 | Segment 9 | Elimination | Total |
|---|---------------|---------------|---------------|--------------|--------------|-------------------|--------------|--------------|--------------|----------------|----------------|
| | | | | | | (in million Baht) | | | | | |
| Revenues | 10,741 | 75,507 | 11,562 | 3,435 | 2,685 | 2,009 | 3,598 | 3,029 | - | (7,736) | 104,830 |
| Investment income | 98 | - | 19 | 10 | 3 | 29 | 319 | 3 | 1,085 | (1,395) | 171 |
| Gain from step acquisition | - | - | - | - | - | - | - | - | 857 | - | 857 |
| Other income | 8 | 45 | 120 | 13 | 42 | 2 | 226 | 3 | 38 | (290) | 207 |
| Total revenues | 10,847 | 75,552 | 11,701 | 3,458 | 2,730 | 2,040 | 4,143 | 3,035 | 1,980 | (9,421) | 106,065 |
| Cost of sale and service | 9,086 | 74,615 | 9,973 | 2,187 | 2,450 | 2,400 | 2,997 | 2,831 | - | (7,809) | 98,730 |
| Selling and administrative expense | 990 | 494 | 255 | 110 | 100 | 170 | 336 | 573 | - | (248) | 2,780 |
| Loss (gain) from foreign exchange | 286 | 351 | 34 | (17) | (10) | (9) | (7) | 118 | - | - | 746 |
| Loss (gain) from derivatives | 209 | 89 | 39 | (1) | 6 | 135 | 3 | (130) | - | - | 350 |
| Total expenses | 10,571 | 75,549 | 10,301 | 2,279 | 2,546 | 2,696 | 3,329 | 3,392 | - | (8,057) | 102,606 |
| Share of profit (loss) of equity-accounted investees | - | - | (14) | - | - | - | 20 | (136) | - | 8 | (122) |
| Profit (loss) before finance cost and income tax expense | 276 | 3 | 1,386 | 1,179 | 184 | (656) | 834 | (493) | 1,980 | (1,356) | 3,337 |
| Finance cost | 297 | 475 | 151 | 19 | 33 | 89 | 431 | 28 | - | (310) | 1,213 |
| Income tax expense | (207) | 258 | (8) | 10 | (1) | (1) | 226 | (36) | - | - | 241 |
| Profit (loss) for the period | 186 | (730) | 1,243 | 1,150 | 152 | (744) | 177 | (485) | 1,980 | (1,046) | 1,883 |

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Notes to the financial statements

Business segment financial position as at 31 December 2012

| | Segment 1 | Segment 2 | Segment 3 | Segment 4 | Segment 5 | Segment 6 | Segment 7 | Segment 8 | Segment 9 | Elimination | Total |
|---|----------------|----------------|---------------|---------------|--------------|-------------------|---------------|---------------|---------------|------------------|----------------|
| | | | | | | (in million Baht) | | | | | |
| Cash and cash equivalent | 11,183 | 1,916 | 7,750 | 348 | 851 | 3,879 | 1,596 | 3,746 | - | - | 31,269 |
| Current investment | 15,911 | 221 | 10,867 | - | - | 339 | 1,454 | - | - | - | 28,792 |
| Trade accounts receivable and notes receivable | 8,966 | 32,967 | 6,462 | 2,296 | 1,082 | 2,173 | 3,052 | 5,427 | - | (9,684) | 52,741 |
| Other receivables | 725 | 634 | 305 | 251 | 56 | 44 | 850 | 245 | - | (445) | 2,665 |
| Inventories | 5,155 | 21,703 | 5,017 | 580 | 1,320 | 1,439 | 279 | 5,450 | - | 104 | 41,047 |
| Short-term loans to related parties | 3,750 | - | - | 711 | - | - | 1,905 | - | - | (6,366) | - |
| Current portion of long-term loans to related parties | - | - | - | - | - | - | 6,545 | - | - | (6,545) | - |
| Receivable from Oil Fuel Fund | - | 664 | - | - | - | - | - | - | - | - | 664 |
| Value-added tax receivable | 1,642 | 23 | 329 | 96 | 52 | 75 | 5 | 65 | - | - | 2,287 |
| Derivatives | 6 | - | 1 | - | 2 | 14 | - | 8 | - | - | 31 |
| Other current assets | 533 | 232 | 317 | 22 | 37 | 7 | 85 | 131 | - | 2 | 1,366 |
| Non-current assets held for sale | - | 29 | - | - | - | - | - | - | - | - | 29 |
| Investments in subsidiaries | - | - | - | - | - | - | - | - | 68,155 | (68,155) | - |
| Investments in jointly- controlled entity | - | - | - | - | - | - | - | - | 210 | (210) | - |
| Investments in associates | - | - | - | - | - | - | - | - | 6,716 | (565) | 6,151 |
| Other long-term investment | - | - | - | - | - | - | - | - | 607 | - | 607 |
| Long term loans to related parties | - | - | - | - | - | - | 11,666 | - | - | (10,447) | 1,219 |
| Property, plant and equipment | 60,604 | 93,269 | 25,690 | 9,607 | 5,836 | 13,956 | 21,390 | 13,653 | - | (3,508) | 240,497 |
| Intangible assets | 912 | 11,052 | 2,309 | 164 | 188 | 1,513 | 916 | 2,432 | - | 2,496 | 21,982 |
| Derivatives | 123 | 3 | 12 | - | - | - | - | - | - | - | 138 |
| Deferred tax assets | 98 | - | 154 | 17 | 21 | 105 | 85 | 189 | - | - | 669 |
| Other non-current assets | 476 | 2,144 | 39 | 791 | 28 | 208 | 2 | 222 | - | (3) | 3,907 |
| Total Asset | 110,084 | 164,857 | 59,252 | 14,883 | 9,473 | 23,752 | 49,830 | 31,568 | 75,688 | (103,326) | 436,061 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Business segment financial position as at 31 December 2012

| | Segment 1 | Segment 2 | Segment 3 | Segment 4 | Segment 5 | Segment 6 | Segment 7 | Segment 8 | Segment 9 | Elimination | Total |
|---|---------------|---------------|---------------|--------------|--------------|-------------------|---------------|---------------|-----------|-----------------|----------------|
| | | | | | | (in million Baht) | | | | | |
| Short - term loans from financial institutions | 3,287 | 10 | 2,055 | 800 | - | - | 214 | 2,869 | - | (6,366) | 2,869 |
| Trade accounts payable | 4,127 | 23,395 | 2,783 | 858 | 214 | 2,804 | 9,478 | 3,186 | - | (8,360) | 38,485 |
| Other payables | 2,181 | 1,253 | 936 | 553 | 463 | 532 | 2,174 | 1,496 | - | (710) | 8,878 |
| Payables to contractors | 3,125 | 140 | 474 | 42 | 14 | 16 | 133 | - | - | (494) | 3,450 |
| Current portion of long-term loans from financial institution | 6,695 | 19 | 2,394 | - | 272 | 427 | 2,144 | 117 | - | (6,545) | 5,523 |
| Current portion of long-term loans from other parties | - | - | - | - | - | - | - | 12 | - | - | 12 |
| Current portion of debentures | 6,682 | 19 | 1,281 | - | - | - | 18 | - | - | - | 8,000 |
| Income tax payable | 974 | 3 | 189 | 6 | - | - | 152 | 36 | - | (82) | 1,278 |
| Derivatives | 21 | - | 5 | 1 | - | - | 2 | 3 | - | - | 32 |
| Other current liabilities | 346 | 356 | 185 | 20 | 6 | - | 103 | 128 | - | (26) | 1,118 |
| Long-term loans from financial institutions | 32,074 | 72 | 10,104 | - | 2,206 | 7,128 | 12,821 | 771 | - | (10,447) | 54,729 |
| Long-term loans from other parties | - | - | - | - | - | - | - | 443 | - | - | 443 |
| Debentures | 28,817 | 82 | 5,526 | - | - | - | 30,855 | - | - | - | 65,280 |
| Deferred tax liabilities | 446 | 2,755 | 102 | - | 2 | 41 | 23 | 562 | - | - | 3,931 |
| Employee benefit obligation | 621 | 421 | 207 | 14 | 12 | 24 | 86 | 1,689 | - | - | 3,074 |
| Derivatives | 106 | 1 | 20 | - | - | 16 | - | - | - | - | 143 |
| Other current liabilities | 248 | 1 | 63 | 6 | 1 | - | 81 | 374 | - | (2) | 772 |
| Total liabilities | 89,750 | 28,527 | 26,324 | 2,300 | 3,190 | 10,988 | 58,284 | 11,686 | - | (33,032) | 198,017 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Business segment financial position as at 31 December 2011

| | Segment 1 | Segment 2 | Segment 3 | Segment 4 | Segment 5 | Segment 6 | Segment 7 | Segment 8 | Segment 9 | Elimination | Total |
|---|---------------|----------------|---------------|---------------|--------------|-------------------|---------------|---------------|---------------|-----------------|----------------|
| | | | | | | (in million Baht) | | | | | |
| Cash and cash equivalent | 6,545 | 303 | 2,508 | 359 | 501 | 4,156 | 3,610 | 991 | - | - | 18,973 |
| Current investment | 1,461 | 10 | 524 | - | - | - | 1,637 | - | - | - | 3,632 |
| Trade accounts receivable and notes receivable | 5,986 | 27,180 | 5,411 | 1,643 | 1,034 | 722 | 1,609 | 2,267 | - | (4,370) | 41,482 |
| Other receivables | 27 | 522 | 133 | 43 | 46 | 32 | 681 | 282 | - | (152) | 1,614 |
| Inventories | 4,304 | 20,991 | 4,437 | 553 | 1,002 | 1,889 | 319 | 2,547 | - | 103 | 36,145 |
| Short-term loans to related parties | 515 | - | - | 1,201 | - | - | 3,945 | - | - | (5,661) | - |
| Current portion of long-term loans to related parties | - | - | - | - | - | - | 6,545 | - | - | (6,545) | - |
| Receivable from Oil Fuel Fund | - | 442 | - | - | - | - | - | - | - | - | 442 |
| Value-added tax receivable | 838 | 633 | 172 | 166 | 227 | 106 | 97 | 11 | - | - | 2,250 |
| Derivatives | 12 | - | - | 1 | - | 33 | - | 8 | - | - | 54 |
| Other current assets | 317 | 154 | 74 | 27 | 14 | 8 | 83 | - | - | (34) | 643 |
| Investments in subsidiaries | - | - | - | - | - | - | - | - | 59,302 | (59,302) | - |
| Investments in jointly- controlled entity | - | - | - | - | - | - | - | - | 210 | (210) | - |
| Investments in associates | - | - | - | - | - | - | - | - | 6,447 | (269) | 6,178 |
| Other long-term investment | - | - | - | - | - | - | - | - | 327 | - | 327 |
| Long term loans to related parties | - | - | - | - | - | - | 16,886 | - | - | (16,886) | - |
| Property, plant and equipment | 57,630 | 96,799 | 26,915 | 10,156 | 6,254 | 14,551 | 22,520 | 3,909 | - | (3,391) | 235,343 |
| Intangible assets | 848 | 11,393 | 2,421 | 166 | 190 | 1,345 | 942 | 614 | - | 2,496 | 20,415 |
| Derivatives | 322 | 25 | - | - | - | - | - | - | - | - | 347 |
| Deferred tax assets | 78 | - | 173 | 23 | 21 | 1 | 14 | 54 | - | - | 364 |
| Other current assets | 518 | 3,063 | 95 | 894 | 38 | 147 | 2 | 1 | - | (1) | 4,757 |
| Total asset | 79,401 | 161,515 | 42,863 | 15,232 | 9,327 | 22,990 | 58,890 | 10,684 | 66,286 | (94,222) | 372,966 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Business segment financial position as at 31 December 2011

| | Segment 1 | Segment 2 | Segment 3 | Segment 4 | Segment 5 | Segment 6 | Segment 7 | Segment 8 | Segment 9 | Elimination | Total |
|--|--------------------------|---------------|---------------|--------------|--------------|---------------|---------------|--------------|-----------|-----------------|----------------|
| | <i>(in million Baht)</i> | | | | | | | | | | |
| Short - term loans from financial institutions | - | - | - | - | - | - | - | 2,103 | - | - | 2,103 |
| Trade accounts payable | 1,377 | 19,117 | 1,996 | 732 | 199 | 1,459 | 4,820 | 1,160 | - | (3,591) | 27,269 |
| Other payables | 1,457 | 2,535 | 631 | 286 | 335 | 244 | 1,616 | 535 | - | (375) | 7,264 |
| Payables to contractors | 1,248 | 558 | 218 | 41 | 13 | 34 | 69 | - | - | (134) | 2,047 |
| Short term loan from related parties | 1,323 | 3 | 2,367 | 1,707 | - | - | 261 | - | - | (5,661) | - |
| Current portion of long-term loans from financial institutions | 4,259 | 1,305 | 4,142 | - | 272 | 255 | 1,586 | - | - | (6,545) | 5,274 |
| Current portion of debentures | 2,097 | 7,602 | - | - | - | - | - | - | - | - | 9,699 |
| Current portion of subordinate loan | - | 4,988 | - | - | - | - | - | - | - | - | 4,988 |
| Income tax payable | 603 | 2 | 111 | 12 | - | - | 109 | 67 | - | (70) | 834 |
| Derivatives | - | 9 | - | - | 4 | 47 | - | 17 | - | - | 77 |
| Other current liabilities | 184 | 109 | 104 | 29 | 5 | - | 64 | 33 | - | (15) | 513 |
| Long-term loans from financial institutions | 13,488 | 23,122 | 9,437 | - | 2,478 | 8,102 | 14,292 | 791 | - | (16,886) | 54,824 |
| Debentures | 23,367 | 15,535 | 4,314 | - | - | - | 61 | - | - | - | 43,277 |
| Deferred tax liabilities | 200 | 2,755 | 50 | - | 2 | 41 | 275 | 97 | - | - | 3,420 |
| Employee benefit obligation | 577 | 375 | 185 | 11 | 9 | 19 | 58 | 868 | - | - | 2,102 |
| Derivatives | - | 144 | - | - | - | 85 | - | - | - | - | 229 |
| Other current liabilities | 121 | 1 | 39 | 9 | 1 | 4 | 247 | 170 | - | - | 592 |
| Total liabilities | 50,301 | 78,160 | 23,594 | 2,837 | 3,318 | 10,290 | 23,458 | 5,841 | - | (33,277) | 164,512 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

27 Investment income

| | | Consolidated financial statements | | Separate financial statements | |
|---------------------------|------|---|---|---|---|
| | | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | Note | | | | |
| <i>(in million Baht)</i> | | | | | |
| Dividend income | | | | | |
| Subsidiaries | 5 | - | - | 10,554 | 1,079 |
| Jointly-controlled entity | 5 | - | - | 63 | - |
| Associates | 5 | - | - | 299 | 3 |
| | | <u>-</u> | <u>-</u> | <u>10,916</u> | <u>1,082</u> |
| Interest income | | | | | |
| Major Shareholder | 5 | 2 | - | 1 | - |
| Subsidiaries | 5 | - | - | 1,238 | 297 |
| Associates | 5 | 102 | - | 102 | - |
| Other parties | | 694 | 171 | 397 | 105 |
| | | <u>798</u> | <u>171</u> | <u>1,738</u> | <u>402</u> |
| Total | | <u>798</u> | <u>171</u> | <u>12,654</u> | <u>1,484</u> |

28 Gain from step acquisition

The Company recognised gain totalling Baht 857 million in the consolidated statement of income for the period 19 October 2011 to 31 December 2011 from the re-measurement to fair value of PTT Phenol Co., Ltd. and PTT Utility Co., Ltd. PTTCH and PTTAR held 30% and 30%, respectively in PTT Phenol Co., Ltd. and, 40% and 20%, respectively in PTT Utility Co., Ltd. before the amalgamation.

29 Selling expenses

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------|---|---|---|---|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | | | | |
| <i>(in million Baht)</i> | | | | |
| Distribution | 1,687 | 274 | 481 | 85 |
| Promotional | 158 | 58 | 21 | 6 |
| Marketing | 170 | 4 | - | - |
| Personnel | 298 | 48 | - | - |
| Total | <u>2,313</u> | <u>384</u> | <u>502</u> | <u>91</u> |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

30 Administrative expenses

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|---|---|---|---|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | <i>(in million Baht)</i> | | | |
| Personnel | 3,947 | 871 | 2,574 | 601 |
| Consultancy fee | 473 | 59 | 335 | 57 |
| Professional fee | 365 | 56 | 326 | 56 |
| Feasibility study expense | 125 | 98 | 106 | 98 |
| Secondment fee | 151 | - | 325 | 65 |
| Actuarial losses | 220 | 331 | - | 160 |
| Depreciation and amortisation | 1,274 | 221 | 752 | 163 |
| Loss on disposal of fixed assets | 53 | 43 | 15 | 24 |
| Others | 3,084 | 717 | 1,758 | 443 |
| Total | 9,692 | 2,396 | 6,191 | 1,667 |

31 Employee benefit expenses

| | Consolidated financial statements | | Separate financial statements | |
|--|---|---|---|---|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | <i>(in million Baht)</i> | | | |
| Management | | | | |
| Salaries, bonus, wages and other welfares | 404 | 54 | 218 | 39 |
| Contribution to provident funds | 14 | 2 | 9 | 2 |
| Long-term employee benefits obligation | 4 | 1 | 3 | 1 |
| Other long-term employee benefits obligation | 3 | - | - | - |
| | 425 | 57 | 230 | 42 |
| Other employees | | | | |
| Salaries, bonus, wages and other welfares | 9,504 | 1,752 | 4,678 | 1,160 |
| Contribution to provident funds | 425 | 53 | 244 | 45 |
| Long-term employee benefits obligation | 267 | 40 | 91 | 14 |
| Other long-term employee benefits obligation | 37 | 3 | 32 | 3 |
| | 10,233 | 1,848 | 5,045 | 1,222 |
| Total | 10,658 | 1,905 | 5,275 | 1,264 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Defined benefit plans

Details of the defined benefit plans are given in note 23.

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group in Thailand for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at the minimum rate as required by law not exceeding 15% of their basic salaries and the Group contributes at the minimum rate as required by law not exceeding 15% 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.

32 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 | |
|--|---|---|---|---|
| | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| | <i>(in million Baht)</i> | | | |
| <i>Included in cost of sales of goods:</i> | | | | |
| Changes in inventories of finished goods and work in progress | 3,152 | 8,122 | 915 | 4,833 |
| Raw materials used | 333,057 | 55,319 | 211,422 | 39,110 |
| Personnel expense | 6,413 | 986 | 2,701 | 663 |
| Depreciation of property, plant and equipment | 13,594 | 2,539 | 7,229 | 1,395 |
| Amortisation of intangible assets | 434 | 92 | 161 | 47 |
| <i>Included in selling and administrative expenses:</i> | | | | |
| Personnel expense | 4,245 | 919 | 2,574 | 601 |
| Depreciation of property, plant and equipment | 721 | 118 | 451 | 83 |
| Amortisation of intangible assets | 539 | 103 | 283 | 80 |
| Lease payments recognised as an operating lease expense | 339 | 53 | 274 | 37 |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

33 Finance costs

| | <i>Note</i> | Consolidated financial statements | | Separate financial statements | |
|---|-------------|---|---|---|---|
| | | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 <i>(in million Baht)</i> | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| Interest expense : | | | | | |
| Major Shareholder | 5 | 167 | 61 | 167 | 61 |
| Subsidiaries | 5 | - | - | 115 | 9 |
| Debentures | | 2,954 | 507 | 2,954 | 507 |
| Bank loans and overdrafts | | 2,845 | 595 | 1,619 | 320 |
| Total interest expense | | 5,966 | 1,163 | 4,855 | 897 |
| Other finance costs | | 354 | 57 | 254 | 48 |
| <i>Less: amounts included in the cost of qualifying assets:</i> | | | | | |
| Capitalised as cost of assets under construction | 14 | - | (7) | - | - |
| Net | | 6,320 | 1,213 | 5,109 | 945 |

34 Income tax expense

| | <i>Note</i> | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|-------------|--|---|--|---|
| | | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 <i>(in million Baht)</i> | For the year ended 31 December 2012 | For the period 19 October 2011 to 31 December 2011 |
| Current tax expense | | | | | |
| Current year | | 1,563 | 44 | 1,331 | - |
| Under provided in prior years | | 48 | 2 | 50 | - |
| | | 1,611 | 46 | 1,381 | - |
| Deferred tax expense | | | | | |
| Movements in temporary differences | 18 | (195) | 195 | 204 | 61 |
| Total | | 1,416 | 241 | 1,585 | 61 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

Reconciliation of effective tax rate

| Consolidated financial statements | | | | |
|--|--|--------------------------|---|--------------------------|
| | For the year ended 31 December 2012 | | For the period 19 October 2011 to 31 December 2011 | |
| | <i>Rate</i> (%) | <i>(in million Baht)</i> | <i>Rate</i> (%) | <i>(in million Baht)</i> |
| Profit before income tax expense | | 35,865 | | 2,124 |
| Income tax using the Thai corporation tax rate | 23.0 | 8,249 | 30.0 | 637 |
| Effect of different tax rates in foreign jurisdictions | | (14) | | 19 |
| Income not subject to tax | | (6,977) | | (539) |
| Expenses not deductible for tax purposes | | 104 | | 118 |
| Under provided in prior years | | 48 | | - |
| Others | | 6 | | 6 |
| Total | 3.9 | 1,416 | 11.2 | 241 |

| Separate financial statements | | | | |
|--|--|--------------------------|---|--------------------------|
| | For the year ended 31 December 2012 | | For the period 19 October 2011 to 31 December 2011 | |
| | <i>Rate</i> (%) | <i>(in million Baht)</i> | <i>Rate</i> (%) | <i>(in million Baht)</i> |
| Profit before income tax expense | | 25,773 | | 668 |
| Income tax using the Thai corporation tax rate | 23.0 | 5,928 | 30.0 | 200 |
| Income not subject to tax | | (4,463) | | (201) |
| Under provided in prior years | | 70 | | 62 |
| Expenses not deductible for tax purposes | | 50 | | - |
| Total | 6.1 | 1,585 | 9.2 | 61 |

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.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

35 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Company has been granted privileges by the Board of Investment relating to production of upstream, intermediate and downstream petrochemical, utilities and production support facilities, jetty for transportation and storage of liquid product and transportation by marine vessels, production of petroleum product, research and development of polymer products and chemical formula, lab testing services and refinery. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations with additional conditions that not over 100 percent of investment excluded land and working capital.
- (c) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above.

As promoted companies, the Company must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenues from promoted and non-promoted businesses:

| | Separate financial statements | | | | | |
|----------------------|--|--------------------------------|----------------|---|--------------------------------|---------------|
| | For the year ended 31 December 2012 | | | For the period 19 October 2011 to 31 December 2011 | | |
| | Promoted businesses | Non- promoted businesses | Total | Promoted businesses | Non- promoted businesses | Total |
| | <i>(in million Baht)</i> | | | | | |
| Export sales | 27,480 | 7,218 | 34,698 | 17,929 | 8,497 | 26,426 |
| Local sales | 311,625 | 123,942 | 435,567 | 33,913 | 28,413 | 62,326 |
| Service income | 73 | 296 | 369 | 14 | 59 | 73 |
| Total revenue | 339,178 | 131,456 | 470,634 | 51,856 | 36,969 | 88,825 |

Certain subsidiaries in the Group have been granted promotional privileges as same as the Company.

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

36 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2012 and for the period 19 October 2011 to 31 December 2011 were based on the profit for the year/period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year/period as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|-----------------|--|-----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht / million shares)</i> | | | |
| Profit attributable to ordinary shareholders of the Company (basic) | 34,001.27 | 2,113.44 | 24,188.36 | 606.66 |
| Number of ordinary shares outstanding at 1 January | 4,506.09 | - | 4,506.09 | - |
| at 19 October | - | 4,505.98 | - | 4,505.98 |
| Effect of shares issued during the year/period | 1.35 | 0.11 | 1.35 | 0.11 |
| Weighted average number of ordinary shares outstanding (basic) | 4,507.44 | 4,506.09 | 4,507.44 | 4,506.09 |
| Earnings per share (basic) (in Baht) | 7.54 | 0.47 | 5.37 | 0.13 |

Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2012 and for the period 19 October 2011 to 31 December 2011 were based on the profit for the year/period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year/period after adjusting for the effects of all dilutive potential ordinary shares as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|--|-----------------|--|-----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht / million shares)</i> | | | |
| Profit attributable to ordinary shareholders of the company(diluted) | 34,001.27 | 2,113.44 | 24,188.36 | 606.66 |
| Weighted average number of ordinary shares outstanding (basic) | 4,507.44 | 4,506.09 | 4,507.44 | 4,506.09 |
| Effect of share options issue | - | 0.89 | - | 0.89 |
| Weighted average number of ordinary shares outstanding (diluted) | 4,507.44 | 4,506.98 | 4,507.44 | 4,506.98 |
| Earnings per share (diluted) (in Baht) | 7.54 | 0.47 | 5.37 | 0.13 |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

37 Dividends

At the Annual General Meeting of the shareholders of the Company held on 2 April 2012, the shareholders approved the appropriation of dividends of Baht 1.30 per share, amounting to Baht 5,858 million, which was paid to the shareholders in April 2012.

At the Board of Directors' Meeting held on 17 August 2012, the Board approved the appropriation of interim dividends from the earnings from 1 January 2012 to 30 June 2012 of Baht 0.95 per share, which was paid to the shareholders entitled to receive dividends, totalling approximately Baht 4,282 million in September 2012.

38 Financial instruments

Financial risk management policies

The Group/Company 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/Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group/Company. The management continually monitors the Group's/Company'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, partners and other stakeholders. In addition, the Board monitors the return on capital and the level of dividends to ensure business sustainability.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's / Company's operations and its cash flows because the Group's/Company's finances loans which have both floating and fixed interest rates for their operations. The Group/Company has managed this risk to ensure the appropriateness to the business operation.

The effective interest rates of loans receivable as at 31 December and the periods in which the loans receivable mature or re-price was as follows:

| | | Consolidated financial statements | | | |
|--------------------------|--|-----------------------------------|---|------------------|-------|
| | Effective interest Rate (% per annum) | Within 1 year | After 1 year but within 5 years (in million Baht) | After 5 years | Total |
| 2012 | | | | | |
| Non-current | | | | | |
| Loans to related parties | greater of the U.S. Prime Rate plus margin or fixed rate | - | 1,220 | - | 1,220 |
| Total | | - | 1,220 | - | 1,220 |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

| | Effective interest Rate (% per annum) | Separate financial statements | | | Total |
|--------------------------|--|-------------------------------|---|------------------|---------------|
| | | Within 1 year | After 1 year but within 5 years (in million Baht) | After 5 years | |
| 2012 | | | | | |
| Current | | | | | |
| Loans to related parties | Average cost of funds | 8,450 | - | - | 8,450 |
| Non-current | | | | | |
| Loans to related parties | Average cost of funds/ greater of the U.S. Prime Rate plus margin or fixed rate | - | 10,548 | 1,118 | 11,666 |
| Total | | 8,450 | 10,548 | 1,118 | 20,116 |
| 2011 | | | | | |
| Current | | | | | |
| Loans to related parties | Average cost of funds | 10,490 | - | - | 10,490 |
| Non-current | | | | | |
| Loans to related parties | Average cost of funds | - | 15,496 | 1,390 | 16,886 |
| Total | | 10,490 | 15,496 | 1,390 | 27,376 |

The effective interest rates of interest-bearing liabilities at 31 December 2012 and 2011 and the periods in which those liabilities mature or re-price were disclosed in note 19.

Foreign currency risk

The Group/Company is exposed to foreign currency risk relating to purchases and sales, including borrowings which are denominated in foreign currencies. The Group/Company primarily utilizes forward exchange contracts 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.

In addition to forward exchange contracts, the Group uses derivative financial instruments, principally interest rate swap and currency swaps, to manage exposure to fluctuations in interest rates and in exchange rates.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

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 | 2012 | 2011 | 2012 | 2011 |
| | | (in million Baht) | | | |
| USD | | | | | |
| Cash and cash equivalents | 6 | 2,904 | 446 | 697 | 112 |
| Trade accounts receivable | 7 | 6,108 | 5,789 | 2,651 | 3,436 |
| Other receivables | | 182 | 508 | 167 | 463 |
| Loans to related parties | 5 | 1,220 | - | 1,220 | - |
| Other investments | 13 | 290 | 290 | 290 | 290 |
| Interest-bearing liabilities | 19 | (47,887) | (22,331) | (46,151) | (20,922) |
| Trade accounts payable | 20 | (1,074) | (5,543) | (97) | (5,429) |
| Payable to contractors | | (664) | (508) | (352) | (508) |
| Other payables | | (1,186) | (2,188) | (488) | (1,628) |
| Gross statement of financial position exposure | | | | | |
| | | (40,107) | (23,537) | (42,063) | (24,186) |
| Currency forwards | | (2,245) | 3,406 | 37 | - |
| Net exposure | | | | | |
| | | (40,107) | (20,131) | (42,026) | (24,186) |

The Company entered into foreign currency forward exchange contracts, totalling Baht 2,579 million (2011: Baht 5,111 million) to hedge future sales and purchases transaction of goods with price denominated in foreign currencies to repay certain interest bearing liabilities in foreign currencies.

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|--------------------------------------|-------|----------------------------------|-------|
| | Note | 2012 | 2011 | 2012 | 2011 |
| | | (in million Baht) | | | |
| EUR | | | | | |
| Cash and cash equivalents | 6 | 719 | 341 | - | - |
| Trade accounts receivable | 7 | 3,284 | 644 | - | - |
| Other receivables | | 80 | 1 | 37 | 1 |
| Loans to related parties | 5 | - | - | 105 | - |
| Other investments | 13 | 286 | - | - | - |
| Interest-bearing liabilities | 19 | (1,359) | - | - | - |
| Trade accounts payable | 20 | (2,321) | (331) | - | - |
| Payable to contractors | | (148) | (185) | (96) | (185) |
| Other payables | | (559) | (285) | (15) | (241) |
| Gross statement of financial position exposure | | (18) | 185 | 31 | (425) |
| Currency forwards | | 56 | - | - | - |
| Net exposure | | - | 185 | 31 | (425) |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------------|--|----------------|--|--------------|
| | <i>Note</i> | 2012 | 2011 | 2012 | 2011 |
| | | <i>(in million Baht)</i> | | | |
| SGD | | | | | |
| Cash and cash equivalents | 6 | 121 | 7 | - | - |
| Other receivables | | 1 | 15 | 1 | 15 |
| Trade accounts payable | 20 | (9) | - | - | - |
| Payable to contractors | | (20) | - | (20) | - |
| Other payables | | - | 220 | - | 217 |
| Gross statement of financial position exposure | | 93 | 242 | (19) | 232 |
| Currency forwards | | - | - | - | - |
| Net exposure | | 93 | 242 | (19) | 232 |
| JPY | | | | | |
| Cash and cash equivalents | 6 | 89 | 37 | - | - |
| Trade accounts receivable | 7 | 79 | 138 | - | - |
| Other receivables | | - | 1 | - | 1 |
| Interest-bearing liabilities | 19 | (18) | (82) | - | - |
| Trade accounts payable | 20 | (13) | (32) | - | - |
| Payable to contractors | | (65) | (38) | (65) | (38) |
| Other payables | | (31) | (128) | (26) | (121) |
| Gross statement of financial position exposure | | 41 | (104) | (91) | (158) |
| Currency forwards | | - | - | - | - |
| Net exposure | | 41 | (104) | (91) | (158) |
| MYR | | | | | |
| Cash and cash equivalents | 6 | 570 | 276 | - | - |
| Trade accounts receivable | 7 | 152 | 106 | - | - |
| Other receivables | | 707 | 280 | - | - |
| Interest-bearing liabilities | 19 | (1,291) | (1,369) | - | - |
| Trade accounts payable | 20 | (332) | (506) | - | - |
| Other payables | | (4,063) | (444) | - | - |
| Gross statement of financial position exposure | | (4,257) | (1,657) | - | - |
| Currency forwards | | - | - | - | - |
| Net exposure | | (4,257) | (1,657) | - | - |

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|----------|----------------------------------|-------------|
| | Note | 2012 | 2011 | 2012 | 2011 |
| | | (in million Baht) | | | |
| Others | | | | | |
| Cash and cash equivalents | 6 | 35 | 43 | 1 | 1 |
| Trade accounts receivable | 7 | 55 | 32 | - | - |
| Other receivables | | 2 | - | 2 | - |
| Other investments | 13 | 30 | 36 | - | - |
| Interest-bearing liabilities | 19 | (3) | (34) | - | - |
| Trade accounts payable | 20 | (12) | (25) | - | - |
| Payable to contractors | | - | (38) | - | (37) |
| Other payables | | (14) | (11) | (1) | (4) |
| Gross statement of financial position exposure | | 93 | 3 | 2 | (40) |
| Currency forwards | | - | - | - | - |
| Net exposure | | 93 | 3 | 2 | (40) |

Credit risk

Credit risk is risk of failure from a customer or a counterparty to settle its obligations to the Group as and when they fall due.

Management has a 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 reporting 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 balance sheet. However, the majority of the customers are on the long-term contracted commitment and parts of them are the Company's shareholders which the company has consistently collected from them. For the customers who do not have the long-term contracted commitments, the Group monitors the risk on an ongoing basis and would do the business only with the credible customers by limiting the credit lines and requesting the guarantee on some cases. For the export, the credit of counterparty will be considered and will demand a payment on a case to case basis and also has commercial credit insurance. Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group/Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's/Company's operations and to mitigate the effects of fluctuations in cash flows.

Determination of Fair values

A number of the Group's/Company's accounting policies and disclosures require the valuation 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 and other short-term receivables is taken to approximate the carrying value.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

The fair value of investments in equity securities, which are held for held-to-maturity, is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

The fair value of interest rate swaps is based on broker quotes at the reporting date. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract, and using market interest rates for a similar instrument at the measurement date.

The fair value of forward exchange contracts is based on their listed market price of forward rate for the residual maturity of the contract comparing with exchange rate at the valuation date.

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.

A fair value of debentures, together with the carrying values as at 31 December were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------|--|----------------|--|----------------|
| | Fair value | Carrying value | Fair value | Carrying value |
| | <i>(in million Baht)</i> | | | |
| 2012 | | | | |
| Current | | | | |
| Debentures | 8,192 | 8,000 | 8,299 | 8,000 |
| Non-current | | | | |
| Debentures | 68,254 | 65,280 | 67,839 | 65,280 |
| Total | 76,446 | 73,280 | 76,138 | 73,280 |
| 2011 | | | | |
| Current | | | | |
| Debentures | 9,718 | 9,699 | 9,718 | 9,699 |
| Non-current | | | | |
| Debentures | 44,513 | 43,278 | 44,513 | 43,278 |
| Total | 54,231 | 52,977 | 54,231 | 52,977 |

PTT Global Chemical Public Company Limited and its Subsidiaries
Notes to the financial statements

39 Commitments with non-related parties

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------|--|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| <i>Capital commitments</i> | | | | |
| <i>Contracted but not provided for</i> | | | | |
| Land | 16 | 16 | 16 | 16 |
| Plant, machinery and equipment | 2,592 | 1,869 | 1,288 | 547 |
| Buildings | 118 | 22 | 12 | 3 |
| Others | 316 | 12 | 311 | 2 |
| Total | 3,042 | 1,919 | 1,627 | 568 |
| <i>Non-cancellable operating lease commitments</i> | | | | |
| Within one year | 189 | 198 | 10 | 38 |
| After one year but within five years | 341 | 352 | 40 | 62 |
| After five years | 368 | 408 | 35 | 45 |
| Total | 898 | 958 | 85 | 145 |
| <i>Other commitments</i> | | | | |
| Unused letters of credits | 253 | 47 | 136 | 47 |
| Bank guarantees | 7,030 | 7,823 | 5,920 | 6,639 |
| Forward contracts | 1,827 | 3,433 | 37 | - |
| Swap contracts | 4,724 | 8,194 | 2,694 | 5,111 |
| Guarantees for credit facilities and bank guarantees | 1,443 | - | 1,443 | - |
| Other agreements | 3,687 | 1,819 | 14 | 39 |
| Total | 18,964 | 21,316 | 10,244 | 11,836 |

40 Litigation

On 3 December 2009, a company filed for arbitration against PTT Plc. (“PTT”) and the Company as a producer to perform according to sale and purchase of raw materials agreement, of which the said company has been committed by PTT, or to compensate for damages of approximately Baht 13,805 million. On 8 March 2010, the dispute was thrown out of the case-list by the arbitration ruling that the Company was not a party to the contract.

Subsequently, on 27 August 2010, the said company filed a civil suit against PTT and the Company as a producer to perform according to sale and purchase of raw materials agreement, of which the said company has been committed by PTT, or to compensate for damages of approximately Baht 9,380 million. In this regards, the Company filed objections against the indictment with the civil court on the basis that the Company was not a party to the contract. The litigation has been presently in the consideration of the court. On 19 June 2012, the Civil Court called to hear the decision of the arbitration between such Company and PTT. Since the arbitration process has not yet finalised, the Civil Court therefore considered to postpone the hearing decision of arbitration to 13 December 2012 which has again been postponed until 18 March 2013. The Company believes that the outcome of the consideration will not result in any liability to the Company, and therefore, has not provided against any loss that may result from this matter in the financial statements.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

41 Events after the reporting period

At the Board of Directors' meeting held on 15 February 2013, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2012 dividend payment at the rate of Baht 3.40 per share, of which Baht 0.95 per share was paid as an interim dividend in September 2012 as discussed in note 36. Thus, the remaining dividend will be at the rate of Baht 2.45 per share to the shareholders entitled to receive dividends. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 4 April 2013.

42 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group/Company has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

| TFRS | Topic | Year effective |
|-----------------------|---|----------------|
| TAS 20 | Accounting for Government Grants and Disclosures of Government Assistance | 2013 |
| TAS 21 (revised 2009) | The Effects of Changes in Foreign Exchange Rates | 2013 |
| TFRS 8 | Operating Segments | 2013 |

TAS 20 - Accounting for government grants and disclosures of government assistance

Management is of the opinion that the adoption of TAS 20 from 1 January 2013 will not have a significant impact on the Group's/Company's financial statements.

TAS 21 (revised 2009) – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Group's/Company's reported assets, liabilities, or retained earnings.

TFRS 8 – Operating segments

The principal change introduced by TFRS 8 is the introduction of the concept of presenting operating segments based on the information that internally is provided to the Group/Company's chief operating decision maker. Since the change in accounting policy only impacts disclosure aspects, there is no impact on the Group/Company's financial statements.

PTT Global Chemical Public Company Limited and its Subsidiaries

Notes to the financial statements

43 Reclassification of accounts

Certain accounts in the 2011, financial statements have been reclassified to conform to the presentation in the 2012 financial statements. There were no other significant reclassifications of accounts.

| | 2011 | | | | | |
|--|--------------------------------------|----------|-------------------|----------------------------------|----------|-------------------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | Before reclass. | Reclass. | After reclass. | Before reclass. | Reclass. | After reclass. |
| | <i>(in million Baht)</i> | | | | | |
| Statement of financial position | | | | | | |
| Other receivables | 544 | 1,070 | 1,614 | 446 | 584 | 1,030 |
| Other current assets | 1,713 | (1,070) | 643 | 953 | (584) | 369 |
| Other payables | 3,062 | 4,202 | 7,264 | 2,504 | 1,884 | 4,388 |
| Retention payables | 247 | (247) | - | 9 | (9) | - |
| Other current liabilities | 4,468 | (3,955) | 513 | 2,178 | (1,875) | 303 |
| | | <u>-</u> | | | <u>-</u> | |

The reclassification have been made in the opinion of management, the new classification is more appropriate to the Group's/Company's business.

AUDIT FEE

AUDIT FEE

For the fiscal year 2012, PTTGC and its subsidiaries paid a total audit fee of 10.77 Million Baht to KPMG Phoomchai Audit Limited, which is the Company that the auditors worked for, as well as, to persons or subsidiaries related to the auditors. Of this amount, 3.75 Million Baht was paid to KPMG Phoomchai Audit Limited, while the remaining 7.02 Million Baht was paid to its subsidiaries.

NON AUDIT FEE

- None -

TECHNICAL TERMS & ABBREVIATIONS

| | |
|------------------------------|---|
| Aromatics | A group of unsaturated cyclic hydrocarbons containing one or more benzene rings of six carbon atoms. They are highly reactive and chemically versatile. The group name is derived from the strong and not unpleasant odor characteristic of most chemicals in this family. |
| Bis-Phenol A (BPA) | BPA is an intermediate product produced from acetone and phenol used to produce polycarbonate and epoxy resins. |
| Butadiene | Butadiene is an intermediate in 4 carbon atoms family, used in the making of synthetic rubber. It is also used extensively in the production of plastics. |
| Butene -1 | Butene-1 is an organic chemical base, derived from cracking of petroleum or C4 distillate, and used mainly to produce butadiene and butanol. |
| Carotenoid | Carotenoid is used as a colorant in food for human consumption and as constituents in vitamins and dietary supplements. |
| EO Based Performance Product | EO Based is Ethylene Oxide derivatives such as Ethylene Oxide, Ethylene Glycol, Ethanolamine and Ethoxylate. |
| Ethanolamine | Ethanolamines include monoethanolamines, diethanolamines and triethanolamines. Ethanolamines are main used as sweeteners, detergent and specialty cleaner formulations, flexible urethane foam catalysts and pharmaceuticals. |
| Ethoxylate | Ethoxylate is produced from ethylene oxide and is often processed to be used as a foaming control agent in soap and detergent. |
| Ethylene | Ethylene is an essential organic chemical base derived from the thermal cracking of ethane and naphtha or from dehydration of ethanol. It is used to produce many organic chemical intermediates, such as polyethylene, ethylene oxide, ethylene glycol, vinyl chloride, styrene, acetaldehyde and ethanol. |
| Ethylene Glycol (EG) | EG is produced from ethylene (ethene), via the intermediate ethylene oxide. Ethylene oxide reacts with water to produce ethylene glycol. On purpose product is Monoethylene glycol and major byproducts are the ethylene glycol oligomers diethylene glycol and triethylene glycol. |

| | |
|---|---|
| Ethylene Oxide (EO) | EO is a highly reactive chemical intermediate used in the production of ethylene glycol and other oxide derivatives such as glycol esthers, polyethylene glycol, polyether polyols, diethylene and triethylene glycols and ethanolamines. |
| High Density Polyethylene (HDPE) | Produced from ethylene, HDPE is an inexpensive, flexible, durable and chemical-resistant. One of the major uses of HDPE is in blow-molding applications, such as bottles for milk and non-carbonated drinks, fuel tanks for automobiles, containers of household and industrial chemicals. HDPE is also used for films and pipes. |
| Hydrocracking | Hydrocracking is an oil refinery process that makes use of hydrogen. The process may be used for producing gasoline, jet fuels and high-quality lubricating oils. It may also convert distillation residues into lighter oils. |
| Linear Low Density Polyethylene - (LLDPE) | LLDPE is a type of polyethylene and has basic properties similar to LDPE, LDPE and LLDPE are to a certain extent substitutable for each other. The most significant end use for LLDPE is shirred film. |
| Low Density Polyethylene - (LDPE) | LDPE is a type of polyethylene used for thin films, tubes, mechanical parts, toys and electric wire insulation. |
| Methyl Ester | Methyl esters are oleochemicals derived from vegetable feedstock, such as palm-kernel oils. Methyl esters may be used in the esterification reaction for biodiesel resources. |
| Methylamines | Methylamine derivatives have beneficial uses in many industries, including water treatment, gas and oil treatment, animal nutrient, agricultural chemicals and personal care products. |
| Mixed C4s | Mixed C4 is a colorless gas produced from naphtha crackers. It may be used in as a raw material for the production of butadiene and butane-1. |
| Mixed Xylenes | Mixed Xylene is a mixture containing xylenes such as orthoxylene, metaxy-lene and paraxylenes and is used in the production of solvents and high value downstream product. |

| | |
|-----------------------------------|---|
| Mono Ethylene Glycol (MEG) | MEG is an organic chemical compound derived from the oxidation of ethylene. It is produced by the reaction of ethylene oxide and water. MEG is mainly used for polyester and anti-freeze production. |
| Naphtha | Naphtha is a general term used for low boiling hydrocarbon fractions that are a product of crude oil or condensate splitter. |
| Olefins | Olefins are straight or branched-chain hydrocarbon with at least one unsaturated carbon-carbon bond. Produced by cracking feedstock from raw materials such as natural gas and light naphtha. The main olefins are ethylene and propylene and also include butadiene, and C4 derivatives. |
| Oleochemicals | Oleochemicals are bio-based and environmentally friendly chemicals derived from plants and animal fats, which have similar functions as petrochemicals derived from petroleum. |
| O-Xylene or Orthoxylene (OX) | An Aromatic compound used in the manufacture of plasticisers and unsaturated polyesters. |
| Poly Ethylene Terephthalate (PET) | PET is made by the combination of ethylene glycol and terephthalic acid. Typical end uses for PET are packaging and fibers. |
| Poly Vinyl Chloride - (PVC) | PVC is a versatile thermoplastic polymer produced from VCM. It is extensively used in the construction sector for a variety of applications including pipes, siding and window/door profiles, wire and cable insulation, rigid film/sheet and flooring. |
| Polymers | When certain individual molecules (monomers) come together and link up in a chain-like fashion, they form a polymer. The chemical reaction that forms a polymer is called polymerization. |
| Polyurethane (PU) | PU or polyurethane is a polymer composed of a chain of organic units joined by urethane links. |
| Propylene | Propylene is a flammable gas which is largely derived either as a co-product of the refinery FCC process used to make gasoline or as a co-product of the steam cracking process used to make ethylene. Propylene has virtually no independent end use, but is an important input for a significant number of industrial products, and is the main feedstock used to make polypropylene and acrylonitrile. |

| | |
|-----------------------------|--|
| P-xylene or Paraxylene (PX) | Paraxylene is an aromatic hydrocarbon in the form of a colorless, flammable liquid that is recovered from mixed xylenes streams by adsorption and by isomerisation of aromatics. It is a upstream raw material for PTA and DMT, which are used for production of downstream polyester fiber and PET packaging resin. |
| Pyrolysis gasoline | Pyrolysis gasoline is a naphtha-range product with a high aromatics content used in the production of benzene, toluene and mixed xylenes and as a motor vehicle gas blending stock. |
| Toluene | Toluene is an aromatic hydrocarbon used as an octane enhancer in gasoline, as a chemical intermediate in the production of benzene, paraxylene, toluene diisocyanate and as a solvent in paints. |
| Toluene Di-Isocyanate (TDI) | Toluene diisocyanate is an intermediary chemical used in the production of polyurethane. |

"TO BE TRUSTED,
BE MORE TRUSTWORTHY"

OUR FOUNDATION OF **TRUST**
LIVE UP TO OUR PROMISE
CREATE EXCELLENCE
STAY **CONSISTENT**
FOCUS ON THE CUSTOMERS
CAN DO ATTITUDE



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