

## Part 1

### Nature of Business Operation

<b>1. Policy and Nature of Business Operation</b>
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The Company's production facilities are located at Map Ta Phut Industrial Estate in Rayong Province. They include two PVC plants (emulsion and suspension resins), one Vinyl Chloride Monomer (VCM) plant, one Ethylene Dichloride (EDC) plant, and one Chlor-Alkali (CA) plant. The company's production facilities are fully integrated plant from CA to PVC, so that the Company can rely as much as possible on locally-purchased raw materials and utilities, including ethylene from PTT Global Chemical Public Company Limited, salt from Pimai Salt Company Limited (PSC), and electricity from Glow Energy Public Company Limited. Also with the objective of ensuring availability of raw materials, the Company holds a minority shareholding in PSC.

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

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

Advanced Biochemical (Thailand) Co., Ltd ("Company") manufactures and sells EPICHLOROHYDRIN, a chemical substance mainly used in the Epoxy Resin production. It operates a plant located at Map Ta Phut Industrial Estate in Rayong Province, in the site of its parent company (Vinythai). The main raw materials of this process are Glycerin, Hydrochloric Acid and Caustic Soda. The Glycerin is procured from import and domestic suppliers, Hydrochloric Acid and Caustic Soda are procured from its parent company (Vinythai).

### **1.1 Vision, Mission, and Values**

#### **Vision**

##### ***Growing with You - As a Trusted and Innovative Partner***

Vinythai grows its business on its solid operating foundations, continuous innovation, and the trust it earns from its stakeholders. The company prides itself on always acting ethically and responsibly towards environment and its stakeholders.

## **Mission**

**Vinythai, the first choice in chlor-alkali and biochemicals for better living and sustainability.**

Vinythai aims to always provide the best solutions for customers. With its unique materials, the company builds long-term relationships grounded in outstanding product performance and service support.

We will continue producing and delivering the PVC, Caustic Soda, Bio-based Epichlorohydrin and solutions that our customers seek and society needs, thereby making people's lives better every day.

## **Shared Values**

### **❖ Innovation & Operational Excellence**

- We will continuously seek innovations in the technology, products and services we provide by thinking beyond conventional ideas and frameworks.
- We will continuously create new value which satisfies the needs of our potential and future customers by thinking from the customer's perspective and accurately forecasting the changes in society and markets.
- We will continuously improve our operations for maximum efficiency and quality in every activity and will strive for the highest possible standard of performance.

### **❖ Diversity**

- We will respect individuals with different capabilities and personalities, and our management will operate without regard to nationality, gender or background.
- We will respect cultural diversity regardless of race, ethnicity, religion, language, and nationality.
- We will respect different perspectives and opinions at all times.

### **❖ Environment**

- We, as good global citizens, will contribute to the creation of a sustainable society in harmony with nature.
- We will strive to ensure and further improve occupational health and safety in our working environment.

### **❖ Integrity**

- We will build open and fair relationships with all of our stakeholders based on the highest ethical standards.
- We will strictly comply with applicable laws and regulations.
- We will fulfill our responsibilities in relation to all the products and services we provide to achieve customer satisfaction and trust.

**❖ People Development**

- We will unleash and leverage the full potential talent of each employee.
- We will empower all our employees to demonstrate "can do" spirit, commitment and accountability.

**1.2 Significant Changes and Developments**

Significant changes and developments of Vinythai in the last five years:

**February 2014**

The Board of Directors, in its meeting No. 1/2014 held on 21 February 2014 transacted the following businesses:

- Resolved to accept technical support for 2014 from Solvay S.A., a connected person for the amount of Baht 42,000,000
- Resolved to propose Annual Ordinary General Meeting of Shareholders No. 1/2014 to be held on 29 April 2014 to appoint Mr. Vincent De Cuyper as a new director in replacement of Mr. Gilles Madjarian, effective on 29 April 2014 and to change the authorized director who can sign to bind the Company as follows:

"Mr. Jacques van Rijckevorsel or Mr. Vincenzo Morici or Mr. Bruno Marie Joseph Van der Wielen or Mr. Michel Bernard Maurice YBERT or Mrs. Quitterie Florence Marie de Pelleport Burete Dupontreue or Mr. Vincent De Cuyper, any of these six persons can jointly sign with Mr. Bowon Vongsinudom or Mrs. Puntip Oungpasuk or Mr. Dhanes Charoensupaya totalling two persons with the Company's Seal affixed, effective on 29 April 2014"

**June 2014**

The Company shutted down the production of all units in the plant for maintenance, started from 7 June 2014 to 21 June 2014.

**July 2014**

The Board of Directors, in its meeting No. 3/2014 held on 17 July 2014 transacted the following businesses:

- Resolved to grant the credit line for short term loan up to 6 months from the utilization date to Solvay Group Companies, the connected persons of the Company with the value of credit line not exceeding Baht 100,000,000
- Acknowledged the resignation as a director of the Company of Mr. Michel Bernard Maurice YBERT with effective on 16 July 2014.
- Acknowledged the resignation as a director of the Company of Mr. Dhanes Charoensupaya with effective on 1 June 2014.
- Resolved to amend the authorized directors who can sign to bind the Company which can be read as follows:

"Mr. Jacques van Rijckevorsel or Mr. Vincenzo Morici or Mr. Bruno Marie Joseph Van der Wielen or Mrs. Quitterie Florence Marie de Pelleport Burete Dupontreue or Mr. Vincent De Cuyper, any of these five persons can jointly sign with Mr. Bowon Vongsinudom or Mrs. Puntip Oungpasuk totalling two persons with the Company's Seal affixed, effective on 17 July 2014".

## September 2014

The Board of Directors, in its meeting No. 4/2014 held on 16 September 2014 transacted the following businesses:

- Acknowledged the resignation as a director of Mrs. Quitterie Florence Marie de Pelleport Burete Dupontreue, effective on 15 September 2014.
- Acknowledged the resignation as Director, Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee of Mr. Jacques van Rijckevorsel, effective on 19 September 2014.
- Resolved to appoint Mr. Vincent De Cuyper for the position of Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee in replacement of Mr. Jacques van Rijckevorsel, effective on 20 September 2014
- Resolved to appoint Mr. Martin Laudenbach and Mr. Richard Marcel Auguste Verlaque as the new directors in replacement of Mr. Michel Bernard Maurice YBERT and Mrs. Quitterie Florence Marie de Pelleport Burete Dupontreue, effective on 16 September 2014 and to amend the authorized directors who can sign to bind the Company which can be read as follows:

"Mr. Vincenzo Morici or Mr. Bruno Marie Joseph Van der Wielen or Mr. Martin Laudenbach and Mr. Richard Marcel Auguste Verlaque or Mr. Vincent De Cuyper, any of these five persons can jointly sign with Mr. Bowon Vongsinudom or Mrs. Puntip Oungpasuk totalling two persons with the Company's Seal affixed, effective on 20 September 2014"

## November 2014

The Board of Directors, in its meeting No. 5/2014 held on 27 November 2014 transacted the following businesses:

- Resolved to accept technical support for the year 2015 from Solvay S.A., a connected person, for the amount of not exceeding Baht 37,137,000
- Acknowledged the resignation as Director of Mr. Bowon Vongsinudom, effective on 15 November 2014
- Resolved to appoint Mr. Supattanapong Punmeechaow as the new director in replacement of Mr. Bowon Vongsinudom, effective on 27 November 2014 and to amend the authorized directors who can sign to bind the Company which can be read as follows:

"Mr. Vincenzo Morici or Mr. Bruno Marie Joseph Van der Wielen or Mr. Martin Laudenbach and Mr. Richard Marcel Auguste Verlaque or Mr. Vincent De Cuyper, any of these five persons can jointly sign with Mr.

Supattanapong Punmeechaow or Mrs.Puntip Oungpasuk totalling two persons with the Company's Seal affixed, effective on 27 November 2014"

## February 2015

- The Board of Directors, in its meeting No 1/2015 held on 12 February 2015, acknowledged the resignation as a director of the Company of Mrs. Vallapa Assakul, effective on 13 February 2015.

## March 2015

- The accident occurred in HCL treatment unit at the Company's plant.

## November 2015

The Board of Directors, in its meeting No. 5/2015 held on 19 November 2015 transacted the following businesses:

- Resolved that Advanced Biochemical (Thailand) Company Limited, a wholly owned subsidiary of Vinythai, to establish Advanced Biochemical Europe (ABE) in Belgium (as such ABE becomes a subsidiary of Vinythai) as the following detail:
  - o Established Name : Advanced Biochemical Europe
  - o Location : Brussels, Belgium
  - o Registered Capital : 20,000 (Twenty Thousand) Euro
  - o Established Purpose : Set up the company for the distribution of products in Europe
  - o Shareholding Ratio : 100% by Advanced Biochemical (Thailand) Company Limited
  - o Source of Capital : 100% of Advanced Biochemical (Thailand) Company Limited
- Resolved that Vinythai accept technical support for the year 2016 from Solvay S.A., a connected person of Vinythai, for the amount of not exceeding Baht 25,020,000

## February 2016

The Board of Directors, in its meeting No. 1/2016 held on 17 February 2016 transacted the following businesses:

- Acknowledged the resignation as a Director and Chairperson of the Business Advisory Committee of Ms. Puntip Oungpasuk, effective on 1 February 2016
- Resolved to appoint Ms.Duangkamol Settanung as the new Director and Chairperson of the Business Advisory Committee in replacement of Ms. Puntip Oungpasuk, effective on 17 February 2016 and to amend the authorized director who can sign to bind the Company which can be read as

follows:

"Mr. Vincenzo Morici or Mr. Bruno Marie Joseph Van der Wielen or Mr. Martin Laudenbach and Mr. Richard Marcel Auguste Verlaque or Mr. Vincent Paul Jean Marie De Cuyper, any of these five persons can jointly sign with Mr. Supattanapong Punmeechaow or Ms. Duangkamol Settanung totalling two persons with the Company's Seal affixed, effective on 17 February 2016"

- Resolved to grant Advanced Biochemical Europe (a subsidiary of Vinythai) acquires the REACH Epichlorohydrin registration rights for the amount of THB 952,000.- and to receive the SAP project supporting for the amount of THB 4,000,000.- from Solvay Group Companies, as they are the connected transactions of Vinythai

## July 2016

The Board of Directors, in its meeting No. 3/2016 held on 14 July 2016 transacted the following businesses:

- Resolved to change the structure of the **"Business Advisory Committee"** effective as from 14 July 2016 as follows:

	Current	Proposed
Chairperson	•1 Director representing PTT Global Chemical Public Company Limited	•1 Director representing PTT Global Chemical Public Company Limited
Members	•1 Director representing Solvay •Managing Director • <b>Independent Director</b>	•1 Director representing Solvay •Managing Director
Secretary	•Vice President, Finance and Accounting	•Vice President, Finance and Accounting

- Resolved to renew members of the **"Business Advisory Committee"** for a period of 3 years effective from 29 August 2016 to 28 August 2019 as follows:

1. Ms.Duangkamol Settanung	-	Chairperson
2. Mr. Vincenzo Morici	-	Member
3. Mr. Bruno Van der Wielen	-	Member

- Resolved to renew members of the **"Nomination and Remuneration Committee"** for a period of 3 years effective from 29 August 2016 to 28 August 2019 as follows:

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

**September 2016**

- Board of Directors, in its meeting No. 4/2016 held on 22 September 2016, resolved to execute the Rental and Utilities Services Agreement for Bangkok Branch Office with Solvay Asia Pacific Co., Ltd, a connected person of Vinythai

**October 2016**

- There was an accident in Chlorovinyls Unit at the Company's plant located at Map Ta Phut Industrial Estate, Muang Rayong District, Rayong Province on 23 October 2016.

**November 2016**

The Board of Directors, in its meeting No. 5/2016 held on 30 November 2016 transacted the following businesses:

- Resolved to accept technical support for the year 2017 from Solvay S.A., a connected person of Vinythai, for the amount of not exceeding Baht 16,940,000
- Resolved to provide technical services for the year 2017 to Solvay S.A. and its Subsidiaries, a connected person of Vinythai, for an amount of not exceeding Baht 40,000,000

**December 2016**

- The Company reported to SET that, as informed by Solvay SA, Solvay Vinyls Holding AG, the major shareholder of the Company (the "Seller"), have entered into a share purchase and sale agreement with Asahi Glass Co., Ltd. (the "Purchaser") in respect of the sale of 696,511,059 shares in the Company representing 58.77 per cent of the total issued shares in the Company at a price of 15 Baht per share (or approximately 10,448 million Baht in total).

**February 2017**

- AGC Asahi Glass ("AGC") completed the acquisition of a 58.77 % equity stake in the Company and became a major shareholder of the Company
- The Board of Directors, in its meeting No. 1/2017, held on 22 February 2017, transacted the following businesses:
  - Acknowledged the resignation as a Director, Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee of Mr. Vincent De Cuyper, effective on 22 February 2017
  - Acknowledged the resignation as a Director and member of the Business Advisory Committee of Mr. Vincenzo Morici, effective on 22 February 2017

- Acknowledged the resignation as a Director of Mr. Martin Laudenbach, effective on 22 February 2017
- Resolved to appoint Mr. Masaaki Kobayashi as the new Director, Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee in replacement of Mr. Vincent De Cuyper, effective on 22 February 2017
- Resolved to appoint Mr. Tadashi Hiraoka as the new Director and member of the Business Advisory Committee in replacement of Mr. Vincenzo Morici, effective on 22 February 2017
- Resolved to appoint Mr. Shigenori Ishizuki as the new Director in replacement of Mr. Martin Laudenbach, effective on 22 February 2017
- Resolved to amend the authorized directors who can sign to bind the Company which can be read as follows:
 

"Mr. Masaaki Kobayashi or Mr. Tadashi Hiraoka or Mr. Shigenori Ishizuki or Mr. Richard Marcel Auguste Verlaque or Mr. Bruno Marie Joseph Van der Wielen, any of these five persons can jointly sign with Mr. Supattanapong Punmeechaow or Ms. Duangkamol Settanung totalling two persons with the Company's Seal affixed, effective on 22 February 2017"
- The Board of Directors, in its meeting No. 2/2017 held on 22 February 2017 transacted the following businesses:
  - (a) Acknowledged the resignation as a Director of the Company of Mr. Richard Verlaque, effective on 22 February 2017
  - (b) Acknowledged the resignation as a Director, Managing Director and member of the Business Advisory Committee of the Company of Mr. Bruno Van der Wielen, effective on 22 February 2017
  - (c) Resolved to appoint Mr. Yoshihisa Horibe as the new Director in replacement of Mr. Richard Verlaque, effective on 22 February 2017
  - (d) Resolved to appoint Mr. Hiroaki Sano as the new Director, Managing Director and member of the Business Advisory Committee in replacement of Mr. Bruno Van der Wielen, effective on 22 February 2017
  - (e) Resolved to amend the authorized directors who can sign to bind the Company, effective on 22 February 2017, which can be read as follows:
 

"Mr. Masaaki Kobayashi or Mr. Tadashi Hiraoka or Mr. Shigenori Ishizuki or Mr. Yoshihisa Horibe or Mr. Hiroaki Sano, any of these five persons can jointly sign with Mr. Supattanapong Punmeechaow or Ms. Duangkamol Settanung totalling two persons with the Company's Seal affixed"
  - (d) Resolved to liquidate Solvay Biochemicals (Taixing) Limited (SBT) in China and Vinythai Holding Private Limited,(VNTH) in Singapore. In 2013, Vinythai decided to put the Epicerol project in SBT on hold without deadline due to unanticipated lower demand and the construction of additional structural capacities in China. Currently, no substantial market improvement is expected in the coming 5 years



which could potentially justify restarting the project. Consequently the Board of Directors has approved the termination of the Epicerol project in China and the liquidation of SBT and VNTH companies (VNTH holding 100% of the ordinary shares of SBT), and to authorize to perform any act and action necessary or useful for the purpose of such liquidation process

#### **April 2017**

- Mr. Masaaki Kobayashi, Director, Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee, has resigned from his positions effective from 27 April 2017
- Mr. Shigenori Ishizuki, Director, has resigned from his position effective from 27 April 2017
- The Annual Ordinary General Meeting of Shareholders for the year 2017 held on 27 April 2017 at 14.00 hrs transacted the following businesses:
  - (a) resolved to appoint Mr. Kazuaki Koga to replace Mr. Masaaki Kobayashi in his functions of Director, Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee, effective from 27 April 2017
  - (b) resolved to appoint Mr. Hiroaki Ono to replace Mr. Shigenori Ishizuki in his function of Director, effective from 27 April 2017
  - (c) Resolved to amend the authority of directors to sign to bind the Company to read as follows:

“Mr. Tadashi Hiraoka or Mr. Hiroaki Sano or Mr. Hiroaki Ono or Mr. Yoshihisa Horibe or Mr. Kazuaki Koga, any one of these five persons can sign jointly with either Mr. Supattanapong Punmeechaow or Miss Duangamol Settanung, totaling two persons, with the Company’s seal affixed”

#### **July 2017**

- The Board of Directors, in its meeting No. 5/2017 held on 19 July 2017 acknowledged the resignation of Mr. Supattanapong Punmeechaow as director, Vice Chairman of the Board of Directors and Member of the Nomination and Remuneration Committee effective as from July 31, 2017 onwards

#### **September 2017**

The Board of Directors, in its meeting No. 6/2017 held on 21 September 2017, transacted the following businesses:

- Resolved to appoint Mr. Narongsak Jivakanun as the new Director, Vice Chairman of the Board of Directors, and member of Nomination and Remuneration Committee in replace of Mr. Supattanapong Punmeechaow, effective as from September 21, 2017 and to amend authorized director who can sign to blind the Company which can be read as follows: “Mr.

Kazuaki Koga or Mr.Tadashi Hiraoka or Mr. Hiroaki Sano or Mr. Hiroaki Ono or Mr. Yoshihisa Horibe, any one of these five persons can sign jointly with either Mr. Narongsak Jivakanun or Miss Duangkamol Settanung, totaling two persons, with the Company's seal affixed"

- Resolved the renewal of members of the **"Audit Committee"**, for a period of 3 years effective from 27 November 2017 to 27 November 2020 as follows:
  1. Assoc. Prof. Dr.Danuja Kunpanitchakit - Chairperson of Audit Committee
  2. Mr. Pipop Pruecksamars - Member of Audit Committee
  3. Mr. Pote Videtyontrakich - Member of Audit Committee

### November 2017

- The Board of Directors, in its meeting No. 7/2017 held on 30 November 2017, resolved to accept services support for the year 2018 from Asahi Glass Co., Ltd (Japan), a connected person of Vinythai, for the amount of not exceeding Baht 46,892,000

### February 2018

The Board of Directors, in its meeting No. 1/2018 held on 23 February 2018 transacted the following businesses:

- Resolved to approve the liquidation of Advanced Biochemical Europe, Belgian company, who was a subsidiary of Vinythai, due to practical difficulties to maintain company operation after the expiration of service agreement provided to it by Solvay SA (the former major shareholder of Vinythai). The disclosure of the said liquidation is in compliance with the regulations of the Stock Exchange of Thailand in respect to the Rules, Conditions and Procedures governing the Disclosure of Information and other acts of Listed Companies
- Resolved to transfer Piperack ownership to PTT Global Chemical Public Company Limited, who is a related person of Vinythai, having its value not exceeding 8,690,000 Baht in accordance with the agreement between Vinythai and PTT Global Chemical Public Company Limited that allows Vinythai to lay down it pipes for chemicals transportation in the area of PTT Global Chemical Public Company Limited
- Acknowledged the resignation as a Director of the Company of Mr. Hiroaki Ono, effective from 25 April 2018.

### April 2018

The Board of Directors, in its meeting No. 2/2018 held on 26 April 2018 transacted the following businesses:

- resolved to change the Company's dividend policy from "Minimum of 30% of net profit after tax and statutory reserve" to "Minimum of 30% of consolidated financial statement's net profit after tax and allocation to all

reserves funds of each fiscal year, such payment of dividend being subject to cash flow, investment plan of the Company together with all other conditions of necessity and suitability in the future”.

- Resolved to appoint Mr.Yoshihisa Horibe, Director, as a new member of Business Advisory Committee, in replacement of Mr.Tadashi Hiraoka, effective as from 26 April 2018.

#### The Member of Business Advisory Committee

Previous member of BAC	New member of BAC	Position
Ms. Duangkamol Settanung	<b>Ms. Duangkamol Settanung</b>	Chairperson
Mr. Hiroaki Sano	<b>Mr. Hiroaki Sano</b>	Member
Mr. Tadashi Hiraoka	<b>Mr. Yoshihisa Horibe</b>	Member

- The Annual Ordinary General Meeting of Shareholders for the year 2018 held on 26 April 2018 resolved to appoint Mr. Masahiko Fukamachi to replace Mr. Hiroaki Ono in his function of Director, effective from 26 April 2018
- The Company shut down the production in the plant for maintenance (Turn around), started from 11 May 2018 to 31 May 2018.

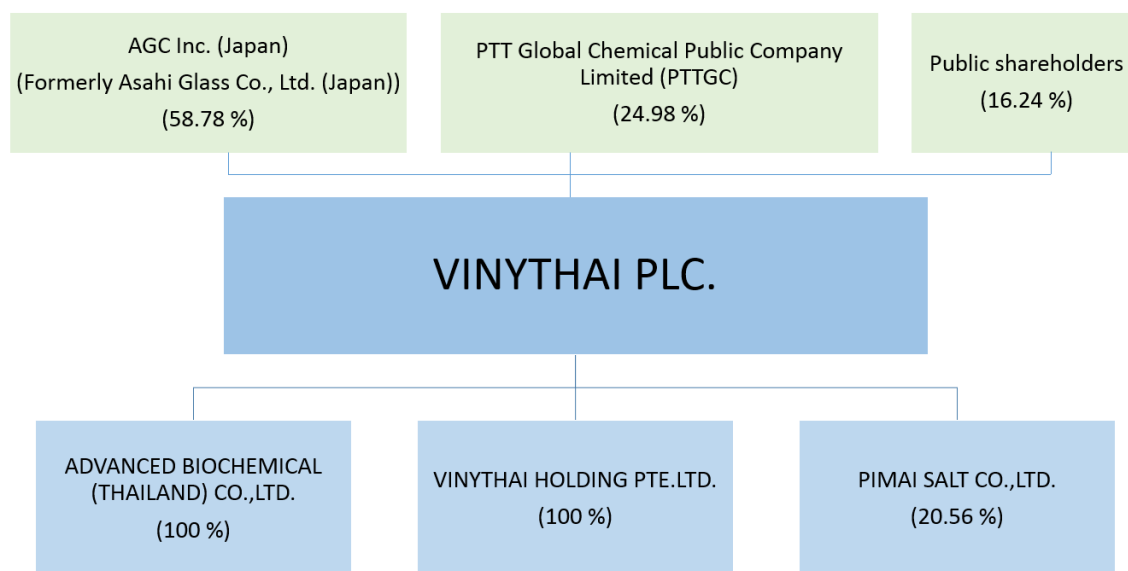
#### September 2018

- The Company have studied and prepared for the Environmental Health Impact Assessment (EHIA) for the plant capacity expansion project located in the Map Ta Phut Industrial Estate, Tambol Map Ta Phut, Amphoe Mueang Rayong, Rayong Province. The annual production capacity after this expansion project, which will be used as the basis for the assessment, has been put at:
  - 590,000 tons of caustic soda (currently: 370,000 tons),
  - 830,000 tons of vinyl chloride monomer (VCM) (currently: 400,000 tons),
  - 860,000 tons of polyvinyl chloride (PVC) (currently: 300,000 tons).
- This assessment is now under Public Hearing process in order to gain the public participation and to open the opportunity for the involvement of communities and all stakeholders for making suggestions in terms of environmental impacts in all aspects, in compliance with the approval process of the public officials of the relevant government authorities.
- The investment for the above capacity expansion project of the Company shall be subjected to the approval of the Board of Directors meeting, shareholders meeting (depending on the amount of investment), and the relevant government authorities. The Company will make final decision and will inform investors of the progress of this project accordingly.

### November 2018

- The Board of Directors, in its meeting No. 5/2018 held on 29 November 2018, resolved to enter into connected transactions, which are the normal business support, for receiving the services with its connected persons in the year 2019 for an amount of not exceeding Baht 53,652,000. The transactions were the medium size under the regulations prescribed by SET.

### 1.3 Shareholding Structure



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

Advanced Biochemical (Thailand) Limited [formerly known as “Solvay Biochemical (Thailand) Limited”] is a subsidiary company of Vinythai, principally engaged in manufacturing and distributing of Epichlorohydrin. Vinythai holds 100% in its total issued shares amounting to 15,000,000 ordinary shares at par value of THB 100 each. Its plant and head office are located at: No. 2/1, I-3 Road, Map Ta Phut Industrial Estate, Tambon Map Ta Phut, Amphoe Mueang, Rayong Province, Telephone No. 0-3892-5000, Fax No. 0-3868-3048 and its business office in Bangkok is located at No. 11, Q.House Sathorn Building, 18<sup>th</sup> Floor, South Sathon Road, Khwaeng Thung Maha Mek, Khet Sathon, Bangkok 10120 Tel. No. 0-2030-6800, Fax No. 0-2030-6801-2.

#### Vinythai Holding Private Limited

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

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

**Note:**

- 1. On 22 February 2017, the Board of Director's meeting of the Company had unanimously approved the liquidation of Vinythai Holding Private Limited. (It is anticipated that the liquidation of Vinythai Holding Private Limited will be completed within 2019).*
- 2. All Solvay Biochemicals (Taixing) Limited de-registration in authorities had been completed on 19 November 2018*

**Pimai Salt Co., Ltd.**

Pimai Salt, an associated company of Vinythai, is a producer of pure refined salt. It was established under a joint venture agreement among AGC Chemicals (Thailand) Co., Ltd., Thai Refined Salt Co., Ltd. and Vinythai, to produce and supply pure refined salt. Vinythai holds 552,331 ordinary shares in Pimai Salt, equivalent to 20.56 % of its total issued shares, amounting to 2,686,400 ordinary shares at par value of THB 100 each.

Pimai Salt's plant is located in Amphoe Pimai, Nakhon Ratchasima Province, Thailand. The Head Office is located at 1st Floor, Srfuengfung Building, 1016 Rama IV Road, Silom, Khet Bangrak, Bangkok 10500, Telephone No. 0-2633-9380-5, Fax No. 0-2633-9390.

**Relation between the Company and its major shareholders**

Vinythai's major shareholders are AGC Inc. (Japan) (Formerly Asahi Glass Co., Ltd. (Japan)) holding 58.78 % of shares and PTT Global Chemical Public Company Limited (PTTGC) holding 24.98% of shares (information as of 8 May 2018). Vinythai is a manufacturer and distributor of Polyvinyl Chloride (PVC) and Caustic Soda which are important chemical products. Ethylene, one of the main raw materials, is purchased from PTTGC, who is the largest producer of ethylene in Thailand and who is the Company's second major shareholder. The company entered into the long term purchase agreement in order to secure the supply of such raw materials. The said mentioned agreements have been approved by the Board of Directors. The company has also complied with all related rules/regulations for the transactions.

## 2. Business Operation

### Income Structure

Vinythai obtains the major part of its income from the manufacture and distribution of PVC resins, under the “SIAMVIC” trademark, VCM and from Caustic Soda.

The income structures of Vinythai and its associated company is as follows:

#### Income Structure of Vinythai

Sales Revenues	2018		2017		2016	
	MTHB	%	MTHB	%	MTHB	%
<b>Sales in Thailand</b>						
1. PVC Resins	5,375	34.7	5,409	32.9	5,874	42.4
2. Caustic Soda	4,233	27.4	4,288	26.1	2,459	17.7
3. VCM	1,492	9.6	1,667	10.0	1,516	11.0
4. Others	664	4.3	591	3.6	511	3.7
<b>Total Sales in Thailand</b>	<b>11,764</b>	<b>76.0</b>	<b>11,955</b>	<b>72.6</b>	<b>10,361</b>	<b>74.8</b>
<b>Sales Abroad</b>						
1. PVC Resins	3,606	23.3	4,440	27.0	3,484	25.2
2. Caustic Soda	102	0.7	65	0.4	0	0.0
3. VCM	0	0.0	0	0.0	0	0.0
<b>Total Sales Abroad</b>	<b>3,708</b>	<b>24.0</b>	<b>4,504</b>	<b>27.4</b>	<b>3,484</b>	<b>25.2</b>
<b>Sales in Thailand and Abroad</b>						
1. PVC Resins	8,981	58.0	9,849	59.9	9,358	67.6
2. Caustic Soda	4,335	28.1	4,353	26.5	2,459	17.7
3. VCM	1,492	9.6	1,667	10.0	1,516	11.0
4. Others	664	4.3	591	3.6	511	3.7
<b>Total Sales in Thailand and Abroad</b>	<b>15,473</b>	<b>100.0</b>	<b>16,459</b>	<b>100.0</b>	<b>13,845</b>	<b>100.0</b>

#### Income Structure of Subsidiary Company

Product / Service	2018		2017		2016	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
<b>Advance Biochemical (Thailand) Co., Ltd.</b>						
Produce & Supply Epichlorohydrin	5,329	97.7	3,572	96.7	2,488	95.8
Others	123	2.3	121	3.3	108	4.2
<b>% Shareholding by Vinythai</b>		<b>100</b>		<b>100</b>		<b>100</b>

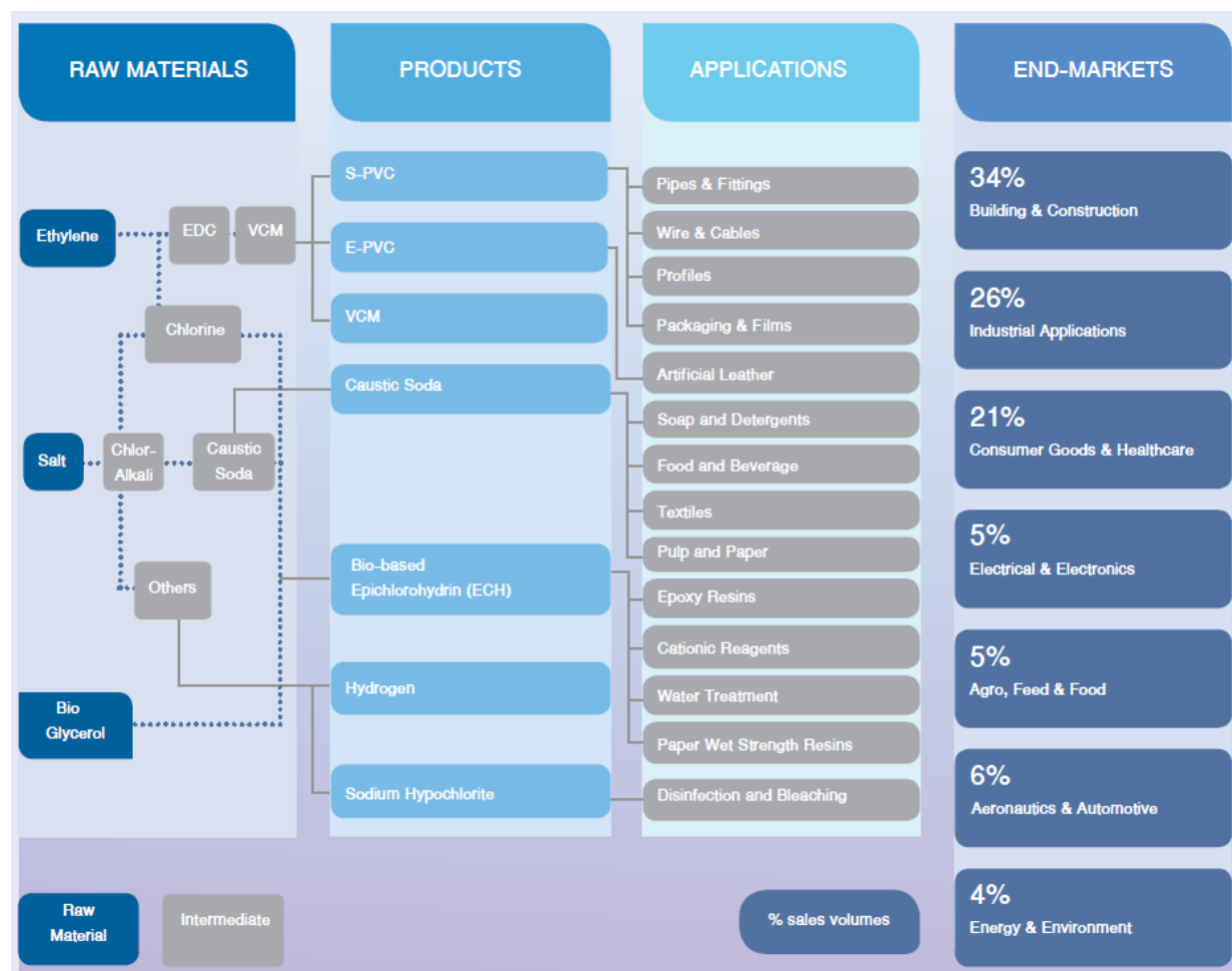
### Income Structure of Associated Company

Product / Service	2018		2017		2016	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
<b>Pimai Salt Co., Ltd.</b>						
Produce & Supply Pure Refined Salt	1,694		1,639		1,679	
% Shareholding by Vinythai		20.56		28.49		28.49

## 2.1 Nature of Products, Marketing and Competition

Vinythai and its subsidiary Advanced Biochemical (Thailand) produce and supply chlorinated derivatives and caustic soda to a wide range of industries and markets, mostly in Asia.

### Portfolio Outline



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

High-quality range of suspension and paste PVC resins serving a variety of industries including automotive, building & construction , electrical & electronics, consumer goods, packaging and healthcare.

✓ **Caustic Soda, or sodium hydroxide**

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

Kosher, Halal and HACCP certificates are available on request.

✓ **Bio-based Epichlorohydrin (ECH)**

Epichlorohydrin is a versatile chemical intermediate for a wide range of applications. It is primarily used as a precursor of epoxy resins, which find uses in protective coatings, printed circuit boards, electronics components, advanced composites for automotive, aerospace, and wind turbine, and adhesives. Other applications are paper & water treatment chemicals, mild surfactants for personal care, and several other fine chemicals.

*Our Epichlorohydrin is uniquely 100% bio-based from its renewable raw material, vegetable glycerin, and is manufactured using innovative process resulting in light environmental footprint. It can be utilized as a drop-in for conventional petro-based Epichlorohydrin. Not only it imparts the bio-based content to the downstream products, but also it offers environmental advantages.*

**A Competitive Leader on its Core Markets and a Globally Recognized Biochemical Player**

Several factors contribute to the success of the Company as a competitive player in SEA.:

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

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

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

✓ **Research & Innovation:** focusing on improvement of technologies

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



## **Sustainability Value Promotion Intensifies and Delivers PVC and Caustic Soda as Sustainable and Versatile Solution for the Society**

Our teams jointly work to further develop and secure sustainable use of PVC in the Industry, in collaboration with our customers, with authorities and associations.

Vinythai notably mentors young architects on the energy saving benefits of using PVC in buildings and construction but also joins efforts of the Industry to certify PVC for Green Label in Thailand.

Believing in sustainable growth and customer focus, the company promptly respond our customers' requirements. Our products (PVC and Caustic Soda) get ISO 9001, ISO14001. In addition our Caustic Soda 32% and 50% get the Halal certificate, Kocher Certificate, plus GMP and also FDA for manufacturing Caustic Soda.

### **Bio-based Epichlorohydrin (ECH)**

Building on the Roundtable on Sustainable Biomaterials (RSB) certificate, Advanced Biochemical (Thailand) Co., Ltd continued to be trusted by existing customers and drew attention from new customers for Bio-based Epichlorohydrin despite the unfavorable market conditions as seen from the solid commercial result. Not only this achievement proves our commitment to operate in a sustainable manner socially, environmentally, and economically, but also it demonstrates our capability to be a long-term ECH partner in the market.

We joined forces with Akzo Nobel, a multinational paint & coating company, and EY Climate Change and Sustainability Services, a consultancy company, to develop an online platform capable of tracking the use of bio-based materials along specific value chains and issuing e-certificates that can be passed from feedstock producers (e.g., ABT), intermediate producers (e.g., epoxy resin producers), paint and coating producers, and subsequently to end customers (e.g., car producers). The e-certificate quantifies the content of bio-based materials in each stage of the value chain. This tool will boost the credibility of bio-based material claims and will accelerate the deployment of bio-based materials relevant to our markets.

Further advancing into the biochemical front, we launched "Growth Project" aiming to seek partnerships with industrial companies and/or academic institutions with interest in bio-based material development. The project focuses on Bisphenol A substitutes from renewable sources, which could react with Bio-based Epichlorohydrin and give 100% bio-based epoxy resins. Potential applications of these specialty resins include coatings for food and beverage packaging as well as bio-composite materials for aeronautic and automotive industries.

### **Summary and outline for 2018**

In 2018, our PVC business achievement was supported by the active demand in USA and Asia region. Environmental restriction in China is continued and result the limited low price PVC export to the region. Domestic Demand of Caustic Soda support our 2018 sale. Though several challenges from external market, we are able

to manage our sale volume to align with the target.

The Bio-based Epichlorohydrin business managed to well allocate Bio-based Epichlorohydrin benefiting from its geographically diversified customer portfolio as well as opened new customers especially in niche applications where the distinct sustainability values of Bio-based Epichlorohydrin were recognized and thanks to the supply tightness in China as a result of the stricter environmental regulations and intensified by turnaround maintenance of key ECH producers. These commercial achievements and market situations allow ABT to sustain the plant utilization rate at high level and achieve new sales and production records.

Vinythai continues seeking for business growth opportunities and improve customer satisfactory in order to become the first choice in chlor-alkali and biochemicals for better living and sustainability, in line with the new Vision and Mission.

2.2 Privilege from Investment Promotion

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Group has been granted privileges by the Board of Investment relating to various operations which included:

	The Company					A subsidiary in Thailand
1. Promotional certificate No.	1579/2541	1166(2)/2548	1164(2)/2550	9010(2)/2553	2012(2)/2553	1694(2)/2551
2. Operations for which the privileges have been granted	Manufacture of additional volumes of PVC and VCM, and caustic soda	Manufacture of additional volume of VCM and caustic soda	Manufacture of additional volume of PVC	Manufacture of additional volumes of PVC, VCM and caustic soda, and chlorine gas	Manufacture of additional volumes of caustic soda, and hydrogen gas	Manufacture of Epichlorohydrin
3. The privileges granted include:						
3.1 exemption from payment of income tax from the date on which the income is first derived from such operations	8 years	8 years	8 years	8 years	8 years	8 years
3.2 A 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of 5 years, commencing from the expiry date in 3.1	Granted	Granted	Granted	Not granted	Granted	Granted
3.3 Permission to double deduct the amount expended on transportation, electricity and water for a period of 10 years from the date on which the income is first derived from such operations.	Granted	Granted	Granted	Not granted	Granted	Granted
4. Date on which the income is first derived from operations	1 June 2002	1 January 2007	1 August 2008	1 January 2011	1 July 2012	7 February 2012

As a promoted company, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

## **2.3 Production and Procurement**

### **(a) Procurement**

#### **☆ Production, Number of Plants and Production Policy**

The production complex consists of:-

**- Chlor-Alkali or Electrolysis plant :**

produces chlorine, for using as a raw material in VCM production, and also produces significant quantities of Caustic Soda as well as certain quantities of by-products; Hydrogen and Sodium Hypochlorite. All these by-products are also sold on the markets.

**- EDC and VCM Plant:**

produces VCM as a raw material for PVC production. VCM product is also sold on the market.

**- PVC Plant:**

produces PVC Suspension and PVC Emulsion for distribution.

The plant still maintained high operating rates in all the Chlor-Alkali, VCM and PVC plants. The continuous improvement, efficient maintenance/production collaboration through the deployment of failure analysis, preventive maintenance program, Manufacturing Excellence Plus (Manufacturing Excellence integrated with Total Productive Management) which allows the plant to further increase its Overall Equipment Effectiveness with Stable Operation, are factors to increase its annual production capacity.

### **Total Capacity**

	2014	2015	2016	2017	2018
1. PVC	280,000	280,000	280,000	280,000	300,000
2. VCM	400,000	400,000	400,000	400,000	400,000
3. Caustic Soda	366,000	366,000	366,000	366,000	366,000

The Company continued to effectively control the fixed and variable costs of the plant through streamlining and consolidation of the organization and by maintaining its overall productivity performance. Meanwhile, variable production costs increased in 2018, in line with higher in ethylene market prices (+5% compare to 2017)

☆ **The Supply of Raw Materials and Number of Suppliers**

Vinythai's production process is a fully integrated PVC production and the main raw materials and utilities can be sourced locally. In addition to its own sources, the site also has the capability of importing either EDC or VCM to boost its PVC production when needed, or to take advantage of low priced EDC or VCM in the international market, when such situation arises.

The supply of main raw materials, which are salt, electricity, and ethylene are as follows:

Salt Procurement

Salt is an essential raw material for chlorine production. For purified salt procurement, Vinythai has jointly invested with others in Pimai Salt Co., Ltd. (PSC). Vinythai entered into Salt Supplies Agreement to ensure salt supplies for its production and the company has the right to offtake salt in proportion to its shareholding in PSC.

According to PSC Offtake Agreement, salt price will be equal to variable costs plus fixed costs shared proportionally to the percentage of its right to offtake PSC products.

Electricity Procurement

In chlorine production, besides salt, electricity is another main raw material. The Company entered into Power Supply Agreement with Glow Energy Public Company Limited (formerly Glow SPP Public Company Limited) for an initial period of fifteen years from 1996 in order to procure electricity supply for Electrolysis Plant. In 2009, The Company has amended this contract by extending the contract period for fifteen years.

The agreement covers the sales and purchase for electric energy and the payments for Capacity, Energy, Reactive Energy, and Fuel Transfer are linked to the Provincial Electricity Authority (PEA) TOU Tariffs as determined by the formula in the Power Supply Agreement.

Ethylene Procurement

As well as Chlorine, Ethylene is another essential raw material for VCM production. Vinythai buys ethylene from PTT Global Chemical Public Company Limited which is the major ethylene producer in the Country and currently is a major shareholder of the Company. Vinythai has entered into the long-term

off-take contract, ended in 2021, with PTT Global Chemical PLC, in order to procure ethylene supply for the company's production. For the expansion projects, the Company has also entered into another long-term off-take contract, ended 2022.

☆ **Problem on Raw Materials**

Ethylene is the main raw material of the Company's production. Therefore, the ethylene price movement will highly affect the company's production cost.

Currently, Vinythai purchases ethylene from PTT Global Chemical Public Company Limited to use as an essential raw material in the VCM production. In the case where PTT Global Chemical Public Company Limited is unable to supply ethylene to Vinythai, Vinythai may purchase ethylene from other suppliers or import ethylene from abroad.

☆ **The Proportion of Raw Material Purchased**

In 2018, local purchasing accounted for 91 % of the total purchase of raw materials by the Company.

**(b) Environmental Impact**

(Please see more details in item 10: Corporate Social Responsibility, sub-item: Environmental Responsibility)

**2.4 Pending Job**

-None-

### **3. Risk Issues**

The Company realizes that with rapid change in business and industrial environment, the Company requires an appropriate tool in managing performance and sustainability of the business in short and long terms, Enterprise risk management is then placed as one of the key business activities.

Risk management is under supervision of the Board of Directors through the Business Advisory Committee and the Audit Committee reviews potential risk and their mitigations. In addition, Management-level committee has been set up to assess, manage and timely monitor risk exposures and mitigation measures to ensure that risk impacts can be reduced and mitigated at an acceptable level for business operations.

Risk Management Committee at the Management level (RMC) comprises the Managing Director, Business Director, Operation Director, Vice President Finance & Accounting, Vice President Corporate Affairs & Communications, Plant Manager, and Vice President Supply Chain. Risk management policy and framework are defined and aligned with the Company's strategy, management policy and vision. The Committee actively develops risk management processes covering all identified & potential risks that pertain to its businesses, with each process closely linked to corporate strategy and opportunities for growth. All RMC members are responsible for management and mitigation of the risks that could potentially affect achievement of the Company's strategic goals.

The Company faces a variety of risks which may be broadly classified into four types: Financial risks, Business risks, Operational risks, and Megatrend - Green movement risks.

#### **Risk Issues and Mitigation**

##### **1. Financial risks**

###### **1.1 Foreign exchange rate risk**

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

**Mitigation:**

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

**2. Business risks****2.1 Fluctuation of product and raw material prices in international markets****• Finished goods**

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

**• Raw materials**

Vinythai is vulnerable to international fluctuations in the price of Ethylene and Glycerin, which are its pivotal inputs, alongside with Salt and Electricity. Ethylene and Glycerin respectively accounted for around 50% of the Company's total production costs in 2018.

**Mitigation:**

*Concerning fluctuations in its end product prices, Vinythai's marketing & sales teams closely monitor price evolution in order to proactively make adjustments to prevailing conditions. The Company's fully-integrated production processes help, to some extent, to shield it from Ethylene and Glycerin price volatility. To further reduce the impact of those cost factors, the Company negotiates with suppliers to ensure effective pricing management that best reflects Asian market conditions.*

*The Excellence programs launched since 2015 on manufacturing and maintenance sites, and purchasing & supply chain has been strengthened by Total Productive Maintenance (TPM) program integrated in 2018 already generated significant results and largely enhance the Company business performances in term of the fixed & variable costs, productivity and price management.*

**2.2 Reliance on a limited number of suppliers**

The Vinyls production process is dependent upon Ethylene, Electricity and Salt as its principal raw materials. The Company has entered into agreements with individual suppliers accordingly. In the cases of Ethylene and Salt, in particular, the number of suppliers is limited. As such, Vinythai faces the risk of a



key raw material shortage should any of its suppliers suddenly be unable to fulfill its commitment.

Mitigation:

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

### **2.3 Reliance on a Single Business Sector**

In 2018, over 40% of all PVC resin demand in Thailand came from the pipe and fitting sector, with consumption being closely aligned with the construction industry and government-initiated public infrastructure projects.

Mitigation:

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

*Additionally, the diversification into Epichlorohydrin production using “green technology”, reduced its sole reliance on, and sensitivity to, the PVC market. Epichlorohydrin is an essential feedstock for production of epoxy resins and is increasingly used in such applications as corrosion protection coatings as well as in the electronics, automotive, aerospace, and windmill power-generating industries.*

## **3. Operation risks**

### **3.1 Plant operation and safety risks**

Certain unexpected occurrences, both internal and external, could potentially disrupt the Company’s plant operations, accidents, insufficient or undeliverable utilities, machinery failures, and operational failures, as well as customer-related issues, can lead to interruptions to production, with significant potential impact on the Company’s financial performance.

Mitigation:

*To manage these risks, we have initiated and put in place the measures to prevent and mitigate the impacts, which embracing the operation excellence and health, safety and environment excellence based on the “Total Productive Maintenance (TPM) Framework”.*

*Enhancing the Process Safety Management (PSM) risk, as well as asset and integrity management according to the guideline of international recognized standard and requirement developed by local organization. Continuously exercised the emergency preparedness and the Business Continuity Plan - BCM in collaboration with all sectors, neighboring, communities and local government at least to minimize their impacts and losses, while also safeguarding personnel and the environment.*

*The Company has also taken out the required insurance policy to mitigate or compensate the loss that could occur from such occurrences.*

### **3.2 Internal Control and Fraud risk**

Some business activities and transactions, such as goods purchasing, stock management, contacts with business parties, are one of the key business processes that could lead to inefficient management.

#### **Mitigation:**

*The Company yearly assesses internal control system based on the Internal Control Checklist and Internal Control over Financial Reporting. Responsibility and approval in major activities have been clearly defined through line of authority from Board of Directors and management level.*

*Training on code of conduct was conducted to employees at all level. The management and employees are strictly adhered to the code. Furthermore, major policies and regulations related to the business operations of the company and its subsidiaries are regularly updated.*

*Additionally, the Company applied the framework of the Private Sector Collective Action Coalition Against Corruption (CAC).*

## **4. Megatrend - Green movement risks**

### **4.1 Greenhouse gas emission**

Greenhouse gases could trap heat and make the planet warmer. The largest sources of greenhouse gas emissions are from burning fossils fuels for electricity, heat, and transportation. Nevertheless other sources would be from industry, commercial & residential, agriculture, and land use & forestry.

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

#### **Mitigation**

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

*For examples, in Production & Support Processes, the managers roll out the following continuous improvement programs:*

- Enhance 3Rs For All - Reduce, Reuse, and Recycle*
- Strengthen energy saving management,*
- Continue and intensify carbon footprint reduction, manufacturing excellence program (ME plus)*
- Continue and intensify supply chain excellence program,*

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

<b>4. Assets used in Business Operation</b>
---

**(4.1) Main Assets*****Value of the Main Assets***

Book value of office equipment, land, buildings and main machinery as at 31 December 2018 are as follows:

## Consolidated financial statements

Items	Useful Life (years)	Book value as of 31 December 2018 (thousand Baht)
1. Lease land improvement	50	296,813
2. Buildings and building improvement	10-50	1,280,896
3. Machinery and equipment	5-30	6,927,335
4. Furniture, fixtures and office equipment	3-30	35,340
5. Vehicle	5-10	1,347
6. Assets under construction and machinery under installation	-	563,101
Total		9,104,832

## Separate financial statements

Items	Useful Life (years)	Book value as of 31 December 2018 (thousand Baht)
1. Lease land improvement	50	296,813
2. Buildings and building improvement	10-50	876,462
3. Machinery and equipment	5-30	4,844,742
4. Furniture, fixtures and office equipment	3-30	30,283
5. Vehicle	5-10	1,347
6. Assets under construction and machinery under installation	-	510,598
Total		6,560,245

***Rights, Lease Agreement and Commitment***

The Business Office is located at 18<sup>th</sup> Floor, Q.House Sathorn Building, No.11 South Sathon Road, Khwaeng Thung Maha Mek, Sathon, Bangkok 10120 which is rented by Vinythai.

The Head Office, Plant and Warehouse of Vinythai which consists of PVC, VCM, chlorine and caustic soda plant and warehouse is located at 2, I-3 Road, Map Ta Phut Industrial Estate, Tambol Map Ta Phut, Amphoe Muang, Rayong Province 21150. The Company leased from the Industrial Estate Authority of Thailand in the area of 240 rai. The substances of this agreement are:

- lease term from 15 June 1989 to 14 June 2019 for 30 years with a renewal option of 20 years
- lease commitments in respect of land for its plant payable at present to the expiry date of the lease is Baht 33,396 per rai per year.

As of 31 December 2018, the outstanding of the commitments is approximately 4 MTHB.

**(2) Investment Policy in Subsidiary and Associated Companies**

The Company has invested in four below subsidiaries: -

- a) Advanced Biochemical (Thailand) Company Limited in which it manufactures and sells a chemical product named as EPICHLOROHYDRIN, in order to support the Company's business.
- b) Vinythai Holding Pte. Limited, incorporated in Singapore, as a holding company.
- c) Solvay Biochemicals (Taixing) Limited, incorporated in Republic of China. The subsidiary manufactures and sells a chemical product named as EPICHLOROHYDRIN, in order to support the Company's business. Vinythai Holding Pte. Limited (subsidiary) holds 100% of its share. (dissolution on 19 November 2018)
- d) Advanced Biochemical Europe, incorporated in Belgium. The subsidiary sells a chemical product named as EPICHLOROHYDRIN, in order to support the Company's business. Advanced Biochemical (Thailand) Company Limited (subsidiary) holds 100% of its share. (dissolution on 30 March 2018)

Moreover, currently the only one associated company that Vinythai has invested in is Pimai Salt Co., Ltd. (PSC), one of the main purified salt producers in Thailand. The investment in this company is to ensure the supply of one the Company's main raw materials. With respect to the long-term contract, the Company has the right to purchase salt from PSC, at the volume sufficient to the need for PVC production. The salt price will be equal to variable cost plus fixed costs shared proportionally to the percentage of its right to offtake PSC products.

In addition, some of Vinythai's directors have participated in the board of the Subsidiaries and Associated Company to jointly define the fair policies among the related companies. The name list of those directors is mentioned in the Attachment 1.

***Vinythai's Investment***

(31 December 2018)

	Product or nature of business	Paid-up capital	Percentage of voting shares held by Vinythai	Acquisition cost (MTHB)	Investment Value (MTHB)
<u>Subsidiary Company</u>					
Advanced Biochemical (Thailand) Co., Ltd.	Manufacturing chemical products	1,500 MTHB	Vinythai holds 100.00% of its shares and has common directors.	1,454.10	-
Vinythai Holding Pte. Limited (incorporated in Singapore)	Holding company	287 RMB	Vinythai holds 100.00% of its shares and has common directors.	1,416.40	84.23
<u>Associate Company</u>					
Pimai Salt Co., Ltd.	Manufacturing of salt	193.89 MTHB	Vinythai holds 20.56% of its shares and has common directors.	397.68	355.14

**(4.3) Assets Evaluation**

-none -

## 5. Legal Disputes

Referred to Red case no. Lor. 207/2558 (“**Bankruptcy case**”) of the Central Bankruptcy Court (“**Bankruptcy court**”) between Kasikorn bank as Creditor and Apex Petrochemical Co., Ltd. (“**Apex**”) as 1<sup>st</sup> Debtor, Apex Properties Ltd. as 2<sup>nd</sup> Debtor, Apex Plastics Ltd. as 3<sup>rd</sup> Debtor, Gamma Products Ltd. as 4<sup>th</sup> Debtor, Mr. Aumnuay Teeramethee as 5<sup>th</sup> Debtor, Mrs. Waraphorn Teeramethee as 6<sup>th</sup> Debtor, and Mr. Sathaporn Thothong as 7<sup>th</sup> Debtor (collectively, “**Debtors**”), on 29 January 2015 the Bankruptcy Court has issued an absolute receivership order against Debtors. As a result, any creditors shall file an application claiming for repayment of debts to the receiver.

On 3 June 2015, Vinythai as 25<sup>th</sup> creditor (an unsecured creditor) and as 26<sup>th</sup> creditor (a secured creditor) filed the applications claiming for repayment of debts to the receiver.

Vinythai as 25<sup>th</sup> creditor, the unsecured creditor claimed for repayment of debts in accordance with the Thonburi Civil Court’s judgment of Red case no. 1547/2552 which judged according to the International Arbitration Court of Board of Trade’s arbitration award (“**Arbitration award**”) No. 15490/JEM/CYK dated 8 May 2009, at the claimed amount of Baht 715,348,590.69. However, the Bankruptcy court has permitted Vinythai for claiming for repayment of debts at the amount of Baht 689,499,748.50. Vinythai therefore has appealed against the Bankruptcy court’s decision for the claimed amount of Baht 25,848,842.19. Vinythai is waiting for the Bankruptcy court’s order for scheduling an appointment date of the hearing for pronouncement of a result of the appeal of Baht 25,848,842.19.

Vinythai as 26<sup>th</sup> creditor, the secured creditor claimed for repayment of debts in accordance with the Thaling chan Provincial court’s judgment and the compromise agreement and the share pledged agreement dated 30 November 2006, at the claimed amount of Baht 811,659,447.48. Presently, the application claiming for repayment of debts is in process of consideration of the receiver.

Presently, the Bankruptcy case is in process of the creditors’ meeting and waiting for the receiver schedules an appointment date of the creditors’ meeting.

**6. General Information and Other Important Information**
**6.1 General Information**
**(1) Information of listed company**

Name of the listed company : **Vinythai Public Company Limited**  
 Address of Head Office  
 and Plant : No.2, I-3 Road, Map Ta Phut Industrial Estate,  
 Tambol Map Ta Phut, Amphur Muang, Rayong  
 Province 21150 Thailand  
 Telephone No. : +66-3868-3112, +66-3892-5000  
 Fax No. : +66-3868-3048  
  
 Address of Business Office : No 11 Q. House Sathorn, 18<sup>th</sup> Floor, South Sathon  
 Road, ThungMaHaMek, Sathon, Bangkok 10120,  
 Thailand  
 Telephone No. : +66-2030 6800  
 Fax No. : +66-2030 6801-2  
  
 Type of Business : Manufacturing and distribution of petrochemical  
 products: PVC resins, VCM, Caustic Soda and other  
 products from PVC production.  
  
 Company's registration no. : 0107536000846  
  
 Home Page : [www.vinythai.co.th](http://www.vinythai.co.th)  
 Registered Capital : 7,111,160,664 Baht  
 Number of Ordinary Shares : 1,185,193,444 Shares  
 Number of fully paid-up shares : 1,185,193,444 shares

**(2) Information concerning Juristic Person in which Vinythai holds at least 10 % of issued shares**
**(a) *Advanced Biochemical (Thailand) Co., Ltd***

Address of Head Office and Plant : No. 2/1, I-3 Road, Map Ta Phut Industrial Estate,  
 Tambol Map Ta Phut, Amphur Muang, Rayong  
 Province 21150, Thailand  
 Telephone No. : +66-3868-3112, +66-3892-5000  
 Fax No. : +66-3868-3048



Address of Business Office : No 11 Q. House Sathorn, 18th Floor, South Sathon Road, ThungMaHaMek, Sathon, Bangkok 10120, Thailand  
 Telephone No. : +66-2030 6800  
 Fax No. : +66-2030 6801-2

Type of Business : Manufacturing and distribution of chemical product (Epichlorohydrin)

Company's registration no. : 0105551033847

Registered Capital : 1,500,000,000 Baht

Number of Ordinary Shares : 15,000,000 Shares

Number of fully paid-up shares : 15,000,000 shares

**(b) Vinythai Holding Private Limited.**

Address of Business Office : No. 10 Collyer Quay #10-01 Ocean Financial Centre, Singapore (049315) Telephone No. : +65-6531 4187

Type of Business : Holding company

Company's registration no. : 201221341H

Registered Capital : 286,690,007 RMB

Number of Ordinary Shares : 286,690,007 Shares

Number of fully paid-up shares : 286,690,007 Shares

**(c) Pimai Salt Co.,Ltd.**

Address of Business Office : 1st Floor Room A, Srifuengfung Building, 1016 Rama 4 Road, Silom Sub-District, Bangrak District, Bangkok 10500  
 Telephone no. +662-633-9380-3  
 Fax No. +662-633-9390

Type of Business : Manufacture and Distribution of Purified Salt

Company's registration no. : 0105537097221

Home Page : [www.psc.co.th](http://www.psc.co.th)

Registered Capital : 268,640,000 Baht

Number of Ordinary Shares : 2,686,400 Shares

Number of fully paid-up shares : 2,686,400 Shares

**(3) Other referenced information**

- Ordinary Share Registrar** : Thailand Securities Depository Co., Ltd.  
93 Ratchadaphisek Road, Dindaeng,  
Bangkok 10400, Thailand  
Tel: +662-009 9000  
Fax: +662-009 9991  
TSD CALL CENTER : +662-009 9999  
Website: <http://www.set.or.th/tsd>  
E-mail: SETContactCenter@set.or.th
- Auditor** : Ms. Sirinuch Vimolsathit and/or  
Mr. Waiyawat Kosamarnchaiyakit and/or  
Ms. Sureerat Thongarunsang  
KPMG Phoomchai Audit Limited  
48th Floor, Empire Tower  
195 South Sathon Road  
Yannawa Sub-District  
Sathon District  
Bangkok 10120  
Tel. +662 677 2000  
Fax. +662 677 222
- Legal Counsel** : Chandler MHM Co., Ltd  
7th Floor, Bubhagit Building  
20 North Sathon Road  
Silom Sub-District  
Bangrak District  
Bangkok 10500  
Tel. +66-2266-6485  
Fax. +66-2266-6483-4
- : The Phenomena Limited  
88 Soi Bangna-Trad 30,  
Bangna-Trad Road, Bangna Tai Sub-District  
Bangna District, Bangkok 10260  
Tel. 094-946-6991

**6.2 Other important information**

-none-