

## Part 1

### Business Operation

#### 1. Policy and Business Overview

The Vinythai Public Company Limited's ("Company") ("Vinythai") 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 ("ABT") 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 Shared 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 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 AdvancedBiochemical (Thailand) Company Limited
  - o Source of Capital : 100% of AdvancedBiochemical (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:
  - o Acknowledged the resignation as a Director and Chairperson of the Business Advisory Committee of Ms. Puntip Oungpasuk, effective on 1 February 2016
  - o 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 Office Rental Agreement 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 at 14.04 hrs.

**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"
    - (f) Resolved to liquidate Solvay Biochemicals (Taixing) Limited (SBT) in China and Vinythai Holding Private Limited, (VNTH) in Singapore. 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 its 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

#### May 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: 370,000tons),
  - 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.

### **July 2019**

- The Board of Directors, in its meeting No. 3/2019, held on 18 July 2019, transacted the following businesses:
  1. Resolved to re-appoint the Business Advisory Committee Members due to expiry of service term, as follows:

1. Ms. Duangkamol Settanung	-	Chairperson
2. Mr. Yoshihisa Horibe	-	Member
3. Mr. Hiroaki Sano	-	Member

Their term is renewed for 3 years effective from 29 August 2019 to 28 August 2022

2. Resolved to appoint and change the Nomination and Remuneration Committee Members due to expiry of service term, as follows:

1. Mr. Kazuaki Koga	-	Chairman
2. Mr. Narongsak Jivakanun	-	Member
3. Assoc. Prof. Dr. Danuja Kunpanitchakit	-	Member

Their term is renewed for 3 years effective from 29 August 2019 to 28 August 2022

### **November 2019**

- The Board of Directors, in its meeting No. 5/2019, held on 22 November 2019, transacted the following businesses:
  1. The resolution regarding the resignation of the resigned Directors as follows:
    - 1.1 Acknowledged the resignation of Mr. Narongsak Jivakanun as Director, Vice Chairman of the Board of Directors and Member of the Nomination and Remuneration Committee effective from November 22, 2019 onwards.
    - 1.2 Acknowledged the resignation of Mr. Tadashi Hiraoka as Director effective from November 22, 2019 onwards.
  2. The resolution regarding the appointment of the new Directors and amendment of the authorising of directors as follows:

- 2.1 Resolved to appoint Mr. Wiboon Chuchepchunkamon as the new Director, Vice Chairman of the Board of Directors and Member of the Nomination and Remuneration Committee in replacement of Mr.

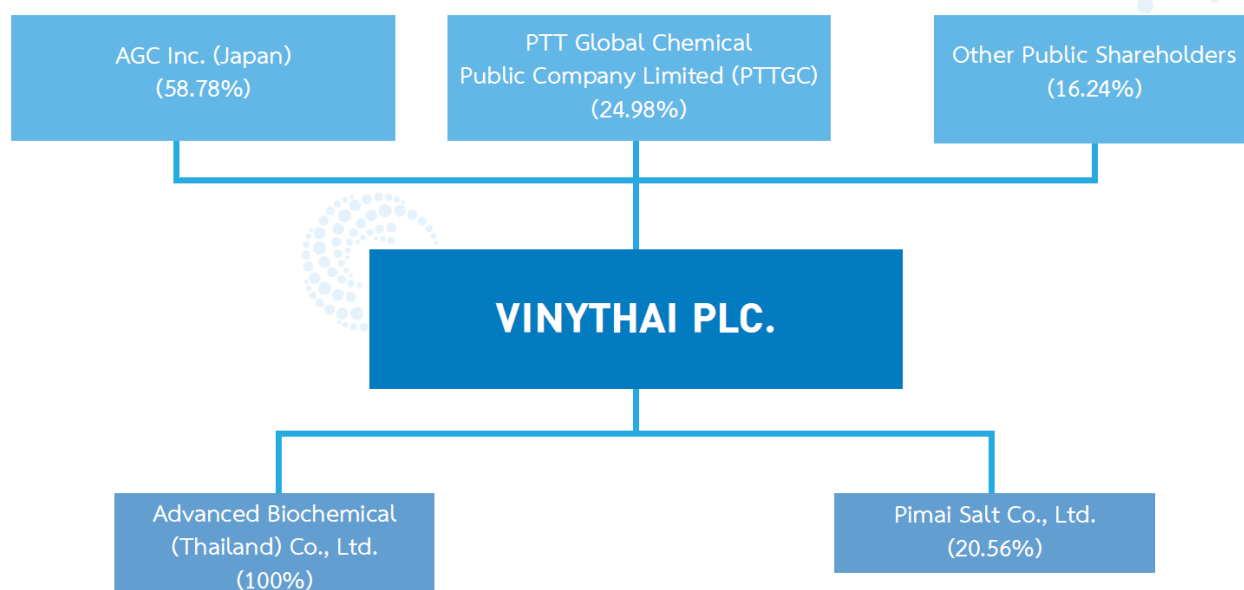
Narongsak Jivakanun, effective from November 22, 2019 onwards.

- 2.2 Resolved to appoint Mr. Ryutaro Yamaki as the new Director in replacement of Mr. Tadashi Hiraoka, effective from November 22, 2019 onwards.

- 2.3 Resolved to amend the authorized directors who can sign to bind the Company which can be read as follows:

“Mr. Kazuaki Koga or Mr. Hiroaki Sano or Mr. Yoshihisa Horibe or Mr. Masahiko Fukamachi or Mr. Ryutaro Yamaki, any one of these five persons can sign jointly with either Mr. Wiboon Chuchepchunkamon or Miss Duangkamol Settanung, totaling two persons, with the Company’s seal affixed.”

### 1.3 Shareholding Structure



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

Advanced Biochemical (Thailand) Co., Ltd 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.

**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, Srifuengfung Building, 1016 Rama IV Road, Silom, Khet Bangrak, Bangkok 10500, Telephone No. 0-2633-9380-5, Fax No. 0-2633-9390.

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

Vinythai's major shareholders are AGC Inc. (Japan) holding 58.78 % of shares and PTT Global Chemical Public Company Limited (PTTGC) holding 24.98% of shares (information as of 7 May 2019). 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. Nature of Business Operations

### 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 subsidiary company and associated company are as follows:**

#### **Income Structure of the Company**

Sales Revenues	2019		2018		2017	
	MTHB	%	MTHB	%	MTHB	%
<b>Sales in Thailand</b>						
1. PVC Resins	5,385	37.6	5,375	34.7	5,409	32.9
2. Caustic Soda	3,098	21.6	4,233	27.4	4,288	26.1
3. VCM	1,450	10.1	1,492	9.6	1,667	10.0
4. Others	734	5.1	664	4.3	591	3.6
<b>Total Sales in Thailand</b>	<b>10,666</b>	<b>74.4</b>	<b>11,764</b>	<b>76.0</b>	<b>11,955</b>	<b>72.6</b>
<b>Sales Abroad</b>						
1. PVC Resins	3,662	25.6	3,606	23.3	4,440	27.0
2. Caustic Soda	0	0	102	0.7	65	0.4
3. VCM	0	0	0	0.0	0	0.0
<b>Total Sales Abroad</b>	<b>3,662</b>	<b>25.6</b>	<b>3,708</b>	<b>24.0</b>	<b>4,504</b>	<b>27.4</b>
<b>Sales in Thailand and Abroad</b>						
1. PVC Resins	9,046	63.2	8,981	58.0	9,849	59.9
2. Caustic Soda	3,098	21.6	4,335	28.1	4,353	26.5
3. VCM	1,450	10.1	1,492	9.6	1,667	10.0
4. Others	734	5.1	664	4.3	591	3.6
<b>Total Sales in Thailand and Abroad</b>	<b>14,328</b>	<b>100.0</b>	<b>15,473</b>	<b>100.0</b>	<b>16,459</b>	<b>100.0</b>

**Income Structure of Subsidiary Company**

Product / Service	2019		2018		2017	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
<b>Advance Biochemical (Thailand) Co., Ltd.</b>						
Produce & Supply Epichlorohydrin	5,230	97.6	5,329	97.7	3,572	96.7
Others	130	2.4	123	2.3	121	3.3
% Shareholding by Vinythai		100		100		100

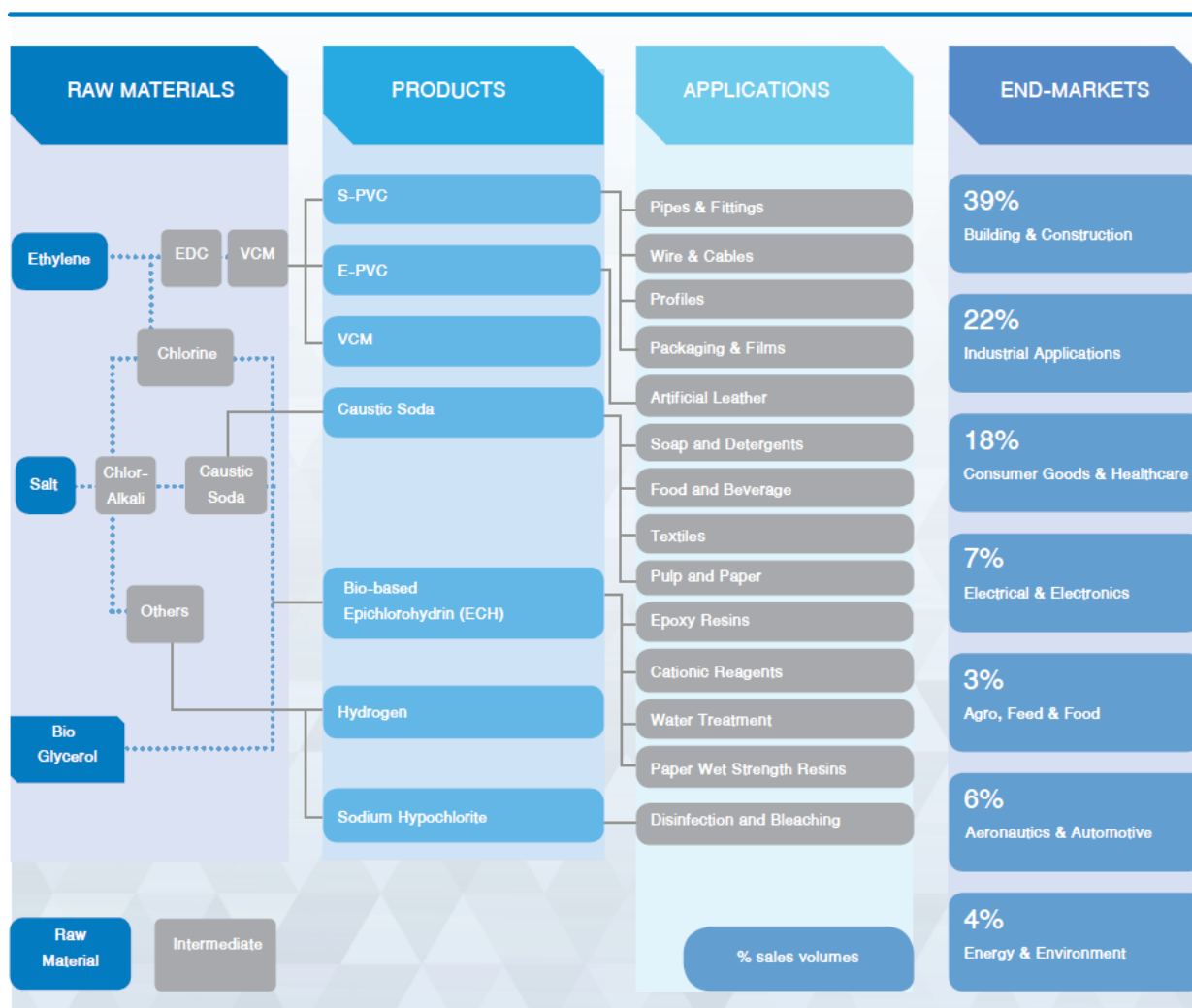
**Income Structure of Associated Company**

Product / Service	2019		2018		2017	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
<b>Pimai Salt Co., Ltd.</b>						
Produce & Supply Pure Refined Salt	1,758		1,694		1,639	
% Shareholding by Vinythai		20.56		20.56		28.49

***2.1 Nature of Products, Marketing and Competition***

Vinythai and its subsidiary Advanced Biochemical (Thailand) produce and supply Caustic Soda, PVC, and Bio-based Epichlorohydrin to a wide range of industries in the emerging markets in Asia and worldwide.

## Portfolio Outline



### Product Information

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

A high-quality range of suspension and paste PVC resins serving automotive, building & construction, electrical & electronics, consumer goods, packaging, healthcare, and other industries.

✓ **Caustic Soda, or Sodium Hydroxide**

With a strong base and soluble in water, Caustic Soda is used in a range of applications that are part of daily life, among them pulp & paper, aluminum, detergents, fibers, and food & feeds.

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 to epoxy resins, finding uses in protective coatings, printed circuit boards, electronics components, adhesives, and advanced composites for automotive, aerospace, and wind turbine applications. Other applications include paper & water treatment chemicals, mild surfactants for personal care, and fine chemical applications.

Uniquely, Advanced Biochemical (Thailand)'s Epichlorohydrin is 100% bio-based from its renewable raw material, vegetable glycerin, and is manufactured using innovative processes leaving only the lightest environmental footprint. Nevertheless, the product can be utilized as a drop-in for conventional petro-based Epichlorohydrin. It both facilitates downstream Bio-based content and offers environmental advantages.

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

Several factors contribute to Vinythai's success as a competitive player in South East Asia, notably:

- ✓ **Integrated manufacturing:** a well-integrated industrial site in Map Ta Phut
- ✓ **Secured raw materials:** Ethylene is secured from the Company's shareholder (PTTGC), salt from the Company's stake in Pimai Salt, Glycerin from diverse vegetable origins.
- ✓ **Successful Excellence programs:** our employees relentlessly strive to outperform in ongoing manufacturing and supply chain excellence programs.
- ✓ **Research & Innovation:** focusing on improving and innovating technologies.

The Company, in contrast to its main competitors, sells its products on the merchant market only. Moreover, it is recognized by its customers as a reliable and competitive partner to accompany their growth. This formula has enabled the Company to attain **leadership positions** in its core markets.

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

Vinythai's teams work together in collaboration with the Company's customers, authorities and associations, to further develop and secure sustainable manufacture and use of PVC throughout industry.

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)**

Advanced Biochemical (Thailand) strengthened its ECH position by obtaining Kosher certification for it. It's all part of the Company's business development strategy to improve customer satisfaction and enable the Company to enter new markets, especially water treatment applications.

In Q4 2019, the Company launched a comparative life cycle assessment (LCA) study of the bio-based Epichlorohydrin and Petro routes. The study investigates environmental impacts and footprints using lifecycle assessment (LCA) methodology in accordance with ISO 14040 and ISO 14044 standards. The results enable the Company to make credible environmental claims about its Bio-based Epichlorohydrin. They also support downstream users' efforts to reduce the environmental footprint of their products under their corporate social responsibility (CSR) strategies.

As for its innovation record, Advanced Biochemical (Thailand) works closely with academic partners developing bio-based materials under the "Growth Project". The project researches the suitability of various lignin organic polymers as substitutes for Bisphenol-A in 100% bio-based epoxy resins.

The Company's long-term direction towards sustainability is further evidenced by the Roundtable on Sustainable Biomaterials (RSB) certification it has held since 2015.

In providing the most sustainable Epichlorohydrin and spreading its value ever deeper downstream, Advanced Biochemical (Thailand) Co., Ltd. aims to be the market leader synonymous with Bio-based Epichlorohydrin globally.

## **Summary and outline for 2019**

In 2019, the PVC industry continued to grow from 2018. However, new supply to the market was limited and there was one plant closure in the US. Supply from China was limited by ongoing environmental controls and some accidents. PVC demand in Asia continued to grow, especially in India and South East Asia. Vinythai, meanwhile, prioritized growth in Thailand and SEA and, in so doing, achieved record sales volume.

PVC prices were under pressure from the strong Thai baht and US-China trade tensions which created uncertainty in the market. Hence average prices in 2019 softened from 2018. On the upside of the strong baht, however, the Company benefited from lower price of Ethylene. The PVC-Ethylene spread was healthier in 2019 compared to 2018.

**Caustic Soda** demand slackened in 2019. This was mainly due to the Alumina sector sourcing good quality Bauxite. Trade tensions and a surfeit of supply in the market also impacted prices, forcing them lower in 2019 than in 2018. Vinythai's strategy remains to continue to grow in Thailand and able to achieve higher sales volume of Caustic Soda this year.

**Bio-based Epichlorohydrin** business further strengthened in 2019, achieving record-high sales revenue and production volume. Thanks to geographically diversified customer portfolio as well as opened new customers. Company in Q4 acquired a new permit to produce 120 KTA. However, average market prices of Epichlorohydrin were lower than in 2018. This was due to market and macroeconomic volatility, ECH demand softened in particular accounts and regions as a result of a number of ongoing geo-economic conflicts. But this did not offset the supply tightness due to sustained supply tightness in China carried over from 2018 and seasonal tightness outside China caused by heavy turnaround maintenance schedules among major producers.

On the raw materials side, Glycerine prices were down in 2019, thanks to high demand and supply of bio-diesel blending mandates, leading to a significant widening in the spread between ECH and Glycerine.

Vinythai and its subsidiary Advanced Biochemical (Thailand) will continue seeking business growth opportunities and working to improve customer satisfaction in order to become first choice in chlor-alkali and biochemical production, for better living and sustainability, in line with the Company's new Vision and Mission.

## 2.2 Privilege from Investment Promotion

### *Promotional privileges*

The Group has been granted promotional certificates by the office of the Board of Investment which included:

	The Company				A subsidiary in Thailand
1. Promotional certificate No.	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 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
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	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	Not granted	Granted	Granted
4. Date on which the income is first derived from operations	1 January 2007	1 August 2008	1 January 2011	1 July 2012	7 February 2012

## 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

	2015	2016	2017	2018	2019
1. PVC	280,000	280,000	280,000	300,000	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

In 2018, PVC Plant had executed the improvement and succeeded to increase the effective capacity 20,000 tpa against 2017.

As a result of all this shall support Vinythai's position as a key player in the regional Vinyl and Caustic Soda industry. The Company expects to continue recording improved performance going forwards, in sustained profitability and business growth.

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. In 2019, variable production cost was decreased significantly in line with lower ethylene market prices (-28% compare to 2018)

#### ☆ **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 and utility, 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 essential utility. The Company entered into Power Supply Agreement with Glow Energy 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.

Vinythai is discussing with PTT Global Chemical Public Company Limited for the extension of Ethylene Supply Agreement for continuous operation.

**☆ 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 2019, local purchasing accounted for 83 % of the total purchase of raw materials by the Company.

**(b) Environmental Impact**

(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, Plant Manager, Vice President Corporate Affairs & Communications, and Vice President Purchasing & 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 risk**

###### **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, due to demand & supply balance. 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 and utility**

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 40% of the Company's total production costs in 2019.

**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 in 2019.*

**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 2019, 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 Bio-based Epichlorohydrin production using “renewable raw material”, 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, electronic components and composite materials for automotive, aerospace, and windmill power-generating industries.*

**2.4 Cyber risk**

Cyber Risk is become serious threat to both personal and organization due to increasing application and data exchanging through Internet.

**Mitigation:**

*Vinythai has established the IT security management in compliance with “AGC Group Common IT Security Standard Management Regulations” for augmenting the overall level of IT security across the Company. These regulations, will aim to raise the level of IT security management by implement technical defenses against sophisticate cyber-attacks, detect when a security breach has occurred, respond to it immediately and appropriately, then promptly and safely recover any damage caused, including process for compliance with the regulations.*

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

### 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), as well as asset and integrity management according to the guideline of international recognized standard and requirement developed by local organization. The external audit was also carried out by the Certified Auditors in accordance with IEAT's requirement in 2019 with no major nonconformity.*

*Continuously exercised the emergency preparedness and the Business Continuity Management - 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 and regularly reviewed of these plans.*

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

#### 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 terms 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 management system,*
- 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>
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**4.1 Main Assets*****Value of the Main Assets used in Business Operation***

Book value of office equipment, land, buildings and main machinery as at 31 December 2019 are as follows:

## Consolidated financial statements

Items	Useful Life (years)	Book value as of 31 December 2019 (thousand Baht)
1. Lease land improvement	50	288,876
2. Buildings and building improvement	10-50	1,302,876
3. Machinery and equipment	5-30	6,161,068
4. Furniture, fixtures and office equipment	3-30	41,597
5. Vehicle	5-10	12,816
6. Assets under construction and machinery under installation	-	396,078
Total		8,203,311

## Separate financial statements

Items	Useful Life (years)	Book value as of 31 December 2019 (thousand Baht)
1. Lease land improvement	50	288,876
2. Buildings and building improvement	10-50	918,661
3. Machinery and equipment	5-30	4,363,966
4. Furniture, fixtures and office equipment	3-30	38,177
5. Vehicle	5-10	12,816
6. Assets under construction and machinery under installation	-	358,148
Total		5,980,644

***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, which the Company has entered into the Land Lease Agreement with Industrial Estate Authority of Thailand. The substances of this Agreement are:

- the leased area is 240 rai.
- the lease term is 20 years starting from 15 June 2019 to 14 June 2039.
- The current leased fee is Baht 292,000 per rai per year.

**4.2 Investment Policy in Subsidiary and Associated Companies**

**The Company has invested in one subsidiary company:**

- *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.*

**The Company has invested in one associated company:**

- *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 2019)

	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	-
<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

Reference is made to the Red Case No. Lor 207/2558 (“Bankruptcy Case”) of the Central Bankruptcy Court (“Bankruptcy Court”) between Kasikorn Bank PCL as Creditor & Plaintiff and Apex Petrochemical Co., Ltd (“Apex”) as the 1<sup>st</sup> Debtor, Apex Properties Ltd as the 2<sup>nd</sup> Debtor, Apex Plastic Ltd as the 3<sup>rd</sup> Debtor, Gamma Products Ltd as the 4<sup>th</sup> Debtor, Mr. Aunuay Teeramethee as the 5<sup>th</sup> Debtor, Mrs. Waraphorn Teeramethee as the 6<sup>th</sup> Debtor and Mr. Sathaporn Pothong as the 7<sup>th</sup> Debtor (collectively referred to as Debtors. On 29 January 2558 (2013), the Bankruptcy Court has issued an absolute receivership order against the Debtors. As the result, any creditor shall file an application claiming for repayment of debts with the receiver.

On 3 June 2015, the Company as the 25<sup>th</sup> Creditor (an unsecured creditor) and as 26<sup>th</sup> creditor (a secured creditor) file the application claiming for repayment of debts with the receiver.

Vinythai as the 25<sup>th</sup> creditor, an unsecured creditor, claimed for repayment of debts in accordance with the Thonburi Civil Court’s judgement of the Red Case No. 1547/2552 which adjudicated according to the International Arbitration Court of Board of Trade’s Arbitration award (“Arbitration Award”) No. 15490/JEM/CYK dated May 2009, at the claimed amount of Baht 715,238,590.69 Baht. However, the Central Bankruptcy Court has permitted the Company to claim for repayment of debts at the amount of 689,499,478.50 Baht. The Company, therefore, has appealed against the Bankruptcy Court’s decision for the claimed amount of 25,848,842.19 Baht with the Supreme Court.

On 26 November 2019, the Central Bankruptcy Court pronounced the Supreme Court’s order not permitting the Company to appeal the claimed amount of 25,848,842.19 Baht with the Supreme Court. Therefore, the Claim for repayment as 25<sup>th</sup> Creditor has been final at the amount of 689,499,748.50 Baht

Vinythai as the 26<sup>th</sup> Creditor, the secured creditor, claimed for repayment of debts in accordance with the Thalingchan Provincial Court’s judgement, the compromise agreement and the share pledge agreement dated 30 November 2006, at the claimed amount of 811,659,447.48 Baht.

On 29 January 2020, the first creditor meeting resolved to accept the proposal for composition of debts before bankruptcy of the 4<sup>th</sup> Debtor and resolved not to accept the proposal for composition of debts of the 1<sup>st</sup> Debtor, the 2<sup>nd</sup> Debtor, the 5<sup>th</sup> Debtor and the 6<sup>th</sup> Debtor. The case is in the process of the receiver to report the case before the court ordering the 1<sup>st</sup> Debtor, the 2<sup>nd</sup> Debtor, the 5<sup>th</sup> Debtor and the 6<sup>th</sup> Debtor to go bankrupt.



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

Name of the listed company	: <b>Vinythai Public Company Limited</b>
Address of Head Office and Plant	: No.2, I-3 Road, Map Ta Phut Industrial Estate, Tambon Map Ta Phut, Amphoe Mueang, 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, Thung Maha Mek, Sathon, Bangkok 10120, Thailand Telephone No. : +66-2030 6800 Fax No. : +66-2030 6801-2
Type of Business	: Production and supply of petrochemical products (PVC resins, VCM, Caustic Soda and other products from PVC production)
Company's registration no.	: 0107536000846
Home Page	: <a href="http://www.vinythai.co.th">www.vinythai.co.th</a>
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, Tambon Map Ta Phut, Amphoe Mueang, Rayong Province 21150, Thailand Telephone No. : +66-3892-5000 Fax No. : +66-3868-3048
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Address of Business Office : No 11 Q. House Sathorn, 18th Floor, South Sathon Road, Thung Maha Mek, Sathon, Bangkok 10120, Thailand  
 Telephone No. : +66-2030 6800  
 Fax No. : +66-2030 6801-2

Type of Business : Manufacturing and trading 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) 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. +662-633-9380-5  
 Fax No. +662-633-9390

Type of Business : Manufacturing of 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  
Ms. Sureerat Thongarunsang and/or  
Mr. Waiyawat Kosamarnchaiyakit  
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 2222
- Legal Counsel** : Tilleke & Gibbins International Ltd.  
Supalai Grand Tower, 26th Floor  
1011 Rama 3 Road, Chongnonsi, Yannawa,  
Bangkok 10120, Thailand  
Tel : +66 2056 5555  
Fax : +66 2056 5678
- : The Phenomena Limited  
88 Soi Bangna-Trad 30,  
Bangna-Trad Road, Bangna Tai Sub-District  
Bangna District, Bangkok 10260  
Tel. 094-946-6991
- : Chandler MHM Limited  
36th Floor, 98 Sathorn Square Office Tower  
North Sathorn Road, Silom, Bangrak,  
Bangkok 10500, Thailand  
Tel : +66-2-009-5000  
Fax : +66-2-009-5080

## **6.2 Other important information**

-none-