



VINYTHAI
AGC Group

ANNUAL DISCLOSURE OF INFORMATION / ANNUAL REPORT 2020



RESPONSIBILITY TOWARDS
Sustainability

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Sustainability

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ANNUAL REPORT 2020
VINYTHAI PUBLIC COMPANY LIMITED



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Financial Highlights

Unit: Million Baht	2018 [#]	2019 [#]	2020 [#]
Sales Revenues	19,946	18,605	16,907
Total Revenues	20,171	18,871	17,074
Gross Profit	4,297	4,418	3,590
Profit from Operating Activities	3,261	3,232	2,480
Net Profit	3,059	3,635	2,173
Depreciation	1,241	1,282	1,503
Cash Flow from Operating Activities	3,952	4,872	4,050
Capital Expenditures	620	489	710
Total Assets	21,596	23,558	26,401
Total Liabilities	1,828	1,718	4,045
Total Loan	-	-	-
Shareholders' Equity	19,768	21,840	22,356
Persons Employed as of Year End	506	514	525

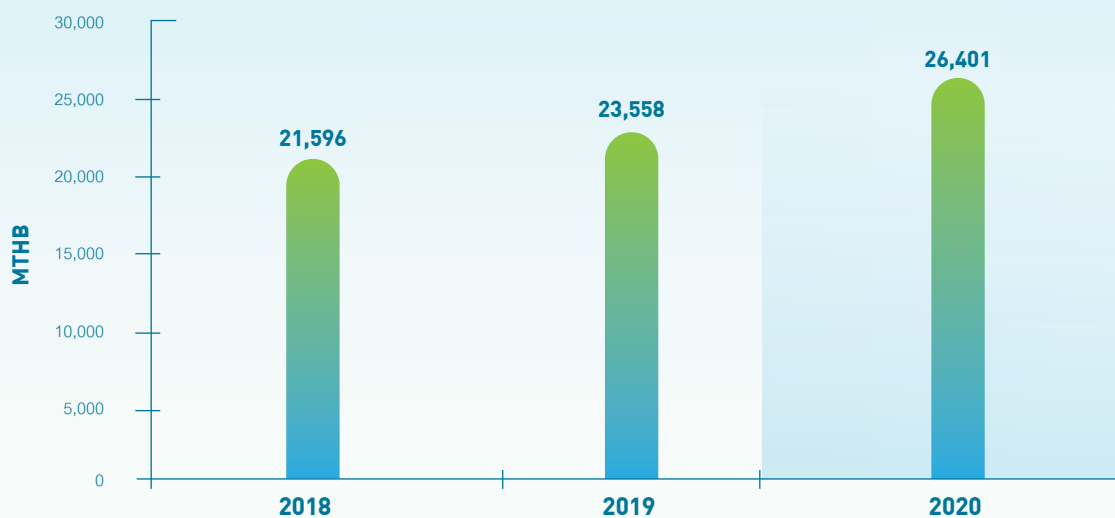
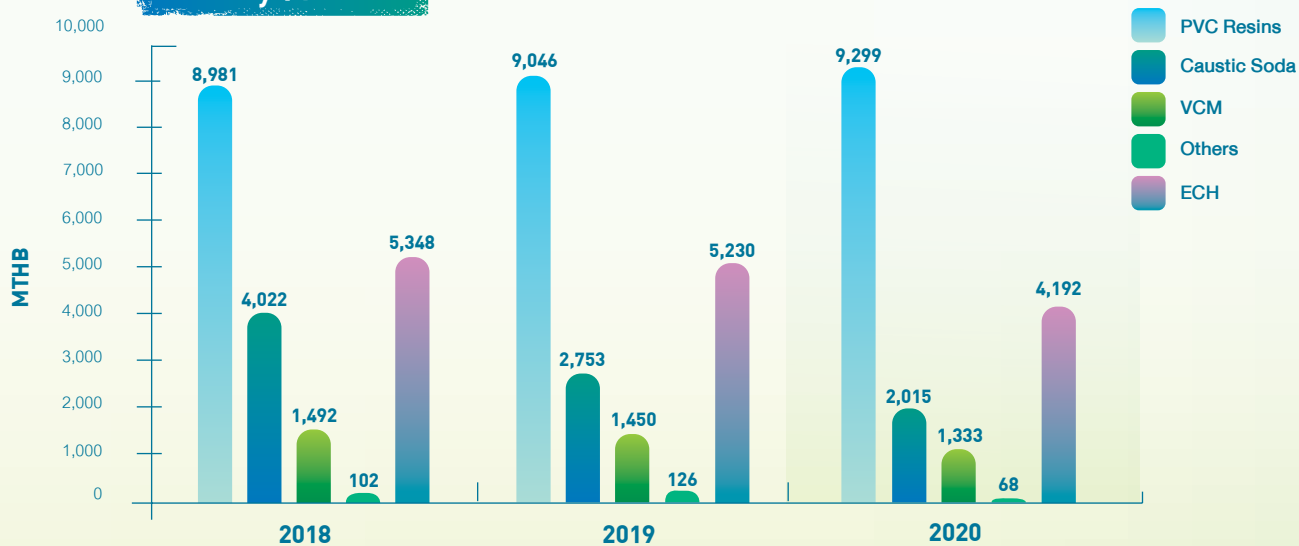
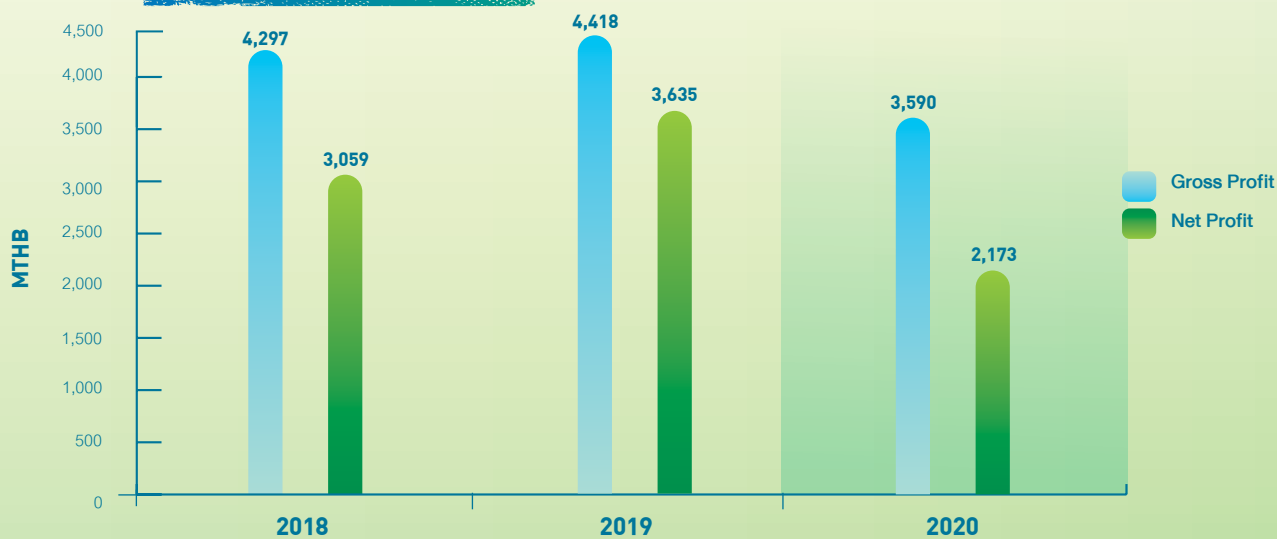
Information per Share & Financial Ratio

Unit: Baht	2018 [#]	2019 [#]	2020 [#]
Earning per Share	2.58	3.07	1.83
Book Value per Share	16.68	18.43	18.86
Dividend per Share (baht/share)	1.300	1.400	0.900
Net Profit Margin	15.2%	19.3%	12.7%
Return on average equity (ROE)	16.3%	17.5%	9.8%
Return on average assets (ROA)	15.8%	14.4%	9.9%

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

* The Board of Directors' Meeting resolved to propose the Annual Ordinary General Meeting of Shareholders to consider and approve in April 2021.



Total Assets**Sales by Products****Gross Profit and Net Profit**

MESSAGE FROM THE CHAIRMAN



GROWTH AMBITIONS REMAIN UNCHANGED

In 2020, a novel coronavirus emerged as an invisible enemy that upended people's lives around the world. The COVID-19 pandemic not only posed a tremendous threat to human existence and life way but also economic security.

Vinythai was naturally also affected by all this. In response, the company triggered the Business Contingency Plan (BCP), put in place policies and issued preventive measures against COVID-19 to ensure every employee stayed safe while enabling our customers to continue their businesses by delivering our products as ordered.

Although the pandemic has negatively affected our performance, our growth ambitions remain unchanged. Utmost efforts continue to be exerted to maintain our existing operation. First and foremost, safe and stable operations as ever carry the highest priorities. Evidence of our success with this takes many forms, not least our record of 12 million work hours without lost time accident, and rigorous implementation of the eight pillars of TPM (Total Productive Management) that form the basis of stable operation. One might also point to is installation of fatigue detectors in our transporters' trucks to reduce the incidence of accidents on the road, as well as inauguration of salt transportation by rail.

Secondly, cost and quality have made us more competitive as we could deliver higher levels of customer satisfaction. This results from our successful efforts at cost reduction, production mix optimization, product quality improvement, development of new grades of products, and sales strategies under tough market conditions. Lastly, also of great benefit has been our human resources development program, with the inauguration of a new Technical Learning Center and rolling out of several production and non-production training courses.

In parallel, we have been preparing for growth. Several measures to increase production capacity have been taken,

including ECH debottlenecking and maximizing Chlor-alkali production. The establishment of a PVC pilot plant and AGC SEA Production Technology Center are in progress. Moreover, our plan for production capacity expansion was well accepted by the concerned local authorities and communities at the 3rd public hearing and preparations are progressing.

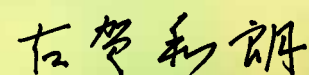
Another high priority resolutely pursued is compliance. On this score, we have succeeded in achieving CAC Recertification as assessed by Thailand's Private Sector Collective Action Against Corruption.

Our social programs have also proceeded well. Of particular note at this time are the 1,000 pieces of PVC protective coveralls and more than 20 kiloliters of sodium hypochlorite we have donated to responsible authorities and the 100 sets of PVC partitions we have donated to two local schools to help fight the spread of Covid-19. "Vinythai Coral Cultivation Project" and "Noenphra-Vinythai Super Minimarathon" has also continued to expand, thanks to great collaboration with local communities.

It was also pleasing this year to see our reputation further enhanced by awards and accolades. Most notable among these are: Zero Accident Campaign 2020 Silver Award; Good Environmental Governance and Social Responsibility Award; and ESG 100 (Environmental, Social and Governance) Certificate for the fourth consecutive year.

Given the uncertain conditions caused by COVID-19, we will simply continue our efforts to do what we do best with our proven spirit of "One Team" and the vision of "Growing with You".

On behalf of the company, I would like to thank all our stakeholders for your much-valued support throughout the year. We will continue trying our best to develop the company further for the future.



(Mr. Kazuaki Koga)

Chairman of the Board of Directors

BUSINESS AND PERFORMANCE





BUSINESS STRUCTURE AND OPERATION

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 Bio-Based 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 domestic suppliers and import, Hydrochloric Acid and Caustic Soda are procured from its parent company (Vinythai).

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.

ค่านิยมร่วมของวินีไทย VINYTHAI SHARED VALUES



SIGNIFICANT CHANGES AND DEVELOPMENTS

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

February 2018

- The Board of Directors, in its meeting No. 1/2018 held on 23 February 2018 transacted the following businesses:
 - o 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.
 - o 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:
 - o 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"**.
 - o 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	Ms. Duangkamol Settanung	Chairperson
Mr. Hiroaki Sano	Mr. Hiroaki Sano	Member
Mr. Tadashi Hiraoka	Mr. Yoshihisa Horibe	Member

- o 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 has studied and prepared for the Environmental Health Impact Assessment (EHIA) for the plant capacity expansion project located in the Map Ta Phut Industrial Estate, Map Ta Phut Sub-District, Mueang Rayong District, Rayong Province. The annual production capacity after this expansion project, which will be used as the basis for the assessment, has been put at:
 - o 590,000 tons of caustic soda (currently: 370,000 tons),
 - o 830,000 tons of vinyl chloride monomer (VCM) (currently: 400,000 tons),
 - o 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.

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 22 November 2019 onwards.
 - 1.2 Acknowledged the resignation of Mr. Tadashi Hiraoka as Director effective from 22 November 2019 onwards.
 2. The resolution regarding the appointment of the new Directors and amendment of the authorizing 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 22 November 2019 onwards.
- 2.2 Resolved to appoint Mr. Ryutaro Yamaki as the new Director in replacement of Mr. Tadashi Hiraoka, effective from 22 November 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.”

April 2020

- As the outbreak of the 2019 Coronavirus (COVID-19) in Thailand, the Board of Directors Meeting no. 2/2020 held on 2 April 2020, approved to postpone the Annual General Meeting of Shareholders 2020, which was previously scheduled on 23 April 2020, to an undetermined date and approve to cancel the agenda item indicated in the AGM 2020 notice and the Record Date to determine the names of the shareholders who are entitled to attend the Meeting which was previously scheduled.
- The Board of Directors meeting no. 3/2020 as held on 23 April 2020 approved to pay interim dividend from the 2019 operating results at 1.40 THB/shares for 1,185,193,444 shares, total amount to be paid out (from net profits after deduction of twice amount of some expenses: this makes the company’s tax to paid amount to nil while shareholders of nature person are subject to 10% withholding tax which cannot be tax credited) equal to 1,659,270,821.60 THB. In this regard, there will be no other dividend payment from the 2019 operating results.

June 2020

- The company Bangkok Branch Office relocated to
No. 944 Mitrtown Office Tower, 14th Floor, Rama 4 Road, Wangmai Sub-District, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2030 6800 Fax. +66 (0) 2030 6801-2

September 2020

- The Board of Director meeting no. 6/2020 held on 17 September 2020 resolved the renewal of term of services of the Audit Committee as follows:

1. Assoc. Prof. Dr. Danuja Kunpanitchakit	-	Chairman of the Audit Committee
2. Mr. Pipop Pruecksamars	-	Member of the Audit Committee
3. Mr. Pote Videtyontrakich	-	Member of the Audit Committee

Their term is renewed for 3 years effective from 27 November 2020 to 27 November 2023.

- Ms. Duangkamol Settanung, Director and Chairperson of Business Advisory Committee, resigned from her positions effective from 30 September 2020 onwards.

November 2020

- The Board of Directors' Meeting No. 7/2020, held on 23 November 2020, resolved to appoint Mrs. Warawan Tippawanich as the new Director, and Chairperson of the Business Advisory Committee in replacement of Miss Duangkamol Settanung, effective from 23 November 2020 onwards.
- 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 Mrs. Warawan Tippawanich, totaling two persons, with the company's seal affixed."



COMPANY AT A GLANCE

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, Map Ta Phut Sub-District, Mueang Rayong District, Rayong Province 21150, Thailand Telephone No. : +66 (0) 3892 5000 Fax No. : +66 (0) 3868 3048
Address of Business Office	:	No. 944 Mitrtown Office Tower, 14 th Floor, Rama 4 Road, Wangmai Sub-District, Pathumwan District, Bangkok 10330, Thailand Telephone No. : +66 (0) 2030 6800 Fax No. : +66 (0) 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	:	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



NATURE OF 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:

Sales Revenues	2020		2019		2018	
	MTHB	%	MTHB	%	MTHB	%
Sales in Thailand						
1. PVC Resins	5,841	42.6	5,385	37.6	5,375	34.7
2. Caustic Soda	2,365	17.2	3,098	21.6	4,233	27.4
3. VCM	1,333	9.7	1,450	10.1	1,492	9.6
4. Others	709	5.2	734	5.1	664	4.3
Total Sales in Thailand	10,248	74.7	10,666	74.4	11,764	76.0
Sales Abroad						
1. PVC Resins	3,457	25.2	3,662	25.6	3,606	23.3
2. Caustic Soda	19	0.1	0	0	102	0.7
3. VCM	0	0	0	0	0	0
Total Sales Abroad	3,477	25.3	3,662	25.6	3,708	24.0
Sales in Thailand and Abroad						
1. PVC Resins	9,299	67.8	9,046	63.2	8,981	58.0
2. Caustic Soda	2,384	17.3	3,098	21.6	4,335	28.1
3. VCM	1,333	9.7	1,450	10.1	1,492	9.6
4. Others	709	5.2	734	5.1	664	4.3
Total Sales in Thailand and Abroad	13,725	100.0	14,328	100.0	15,473	100.0

INCOME STRUCTURE OF SUBSIDIARY COMPANY

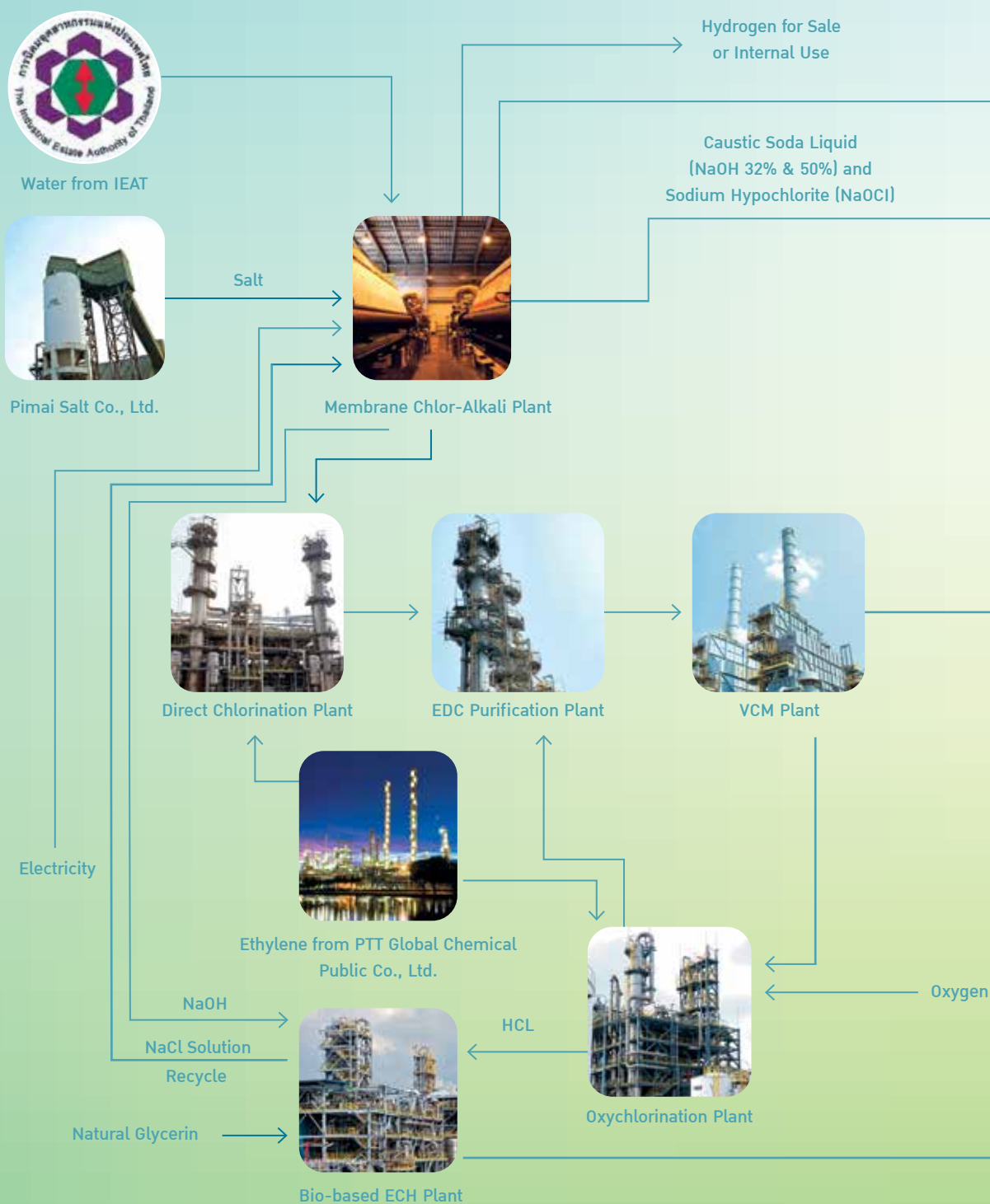
Product / Service	2020		2019		2018	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
Advanced Biochemical (Thailand) Co., Ltd.						
Produce & Supply Epichlorohydrin	4,192	97.0	5,230	97.6	5,329	97.7
Others	132	3.0	130	2.4	123	2.3
% Shareholding by Vinythai		100		100		100

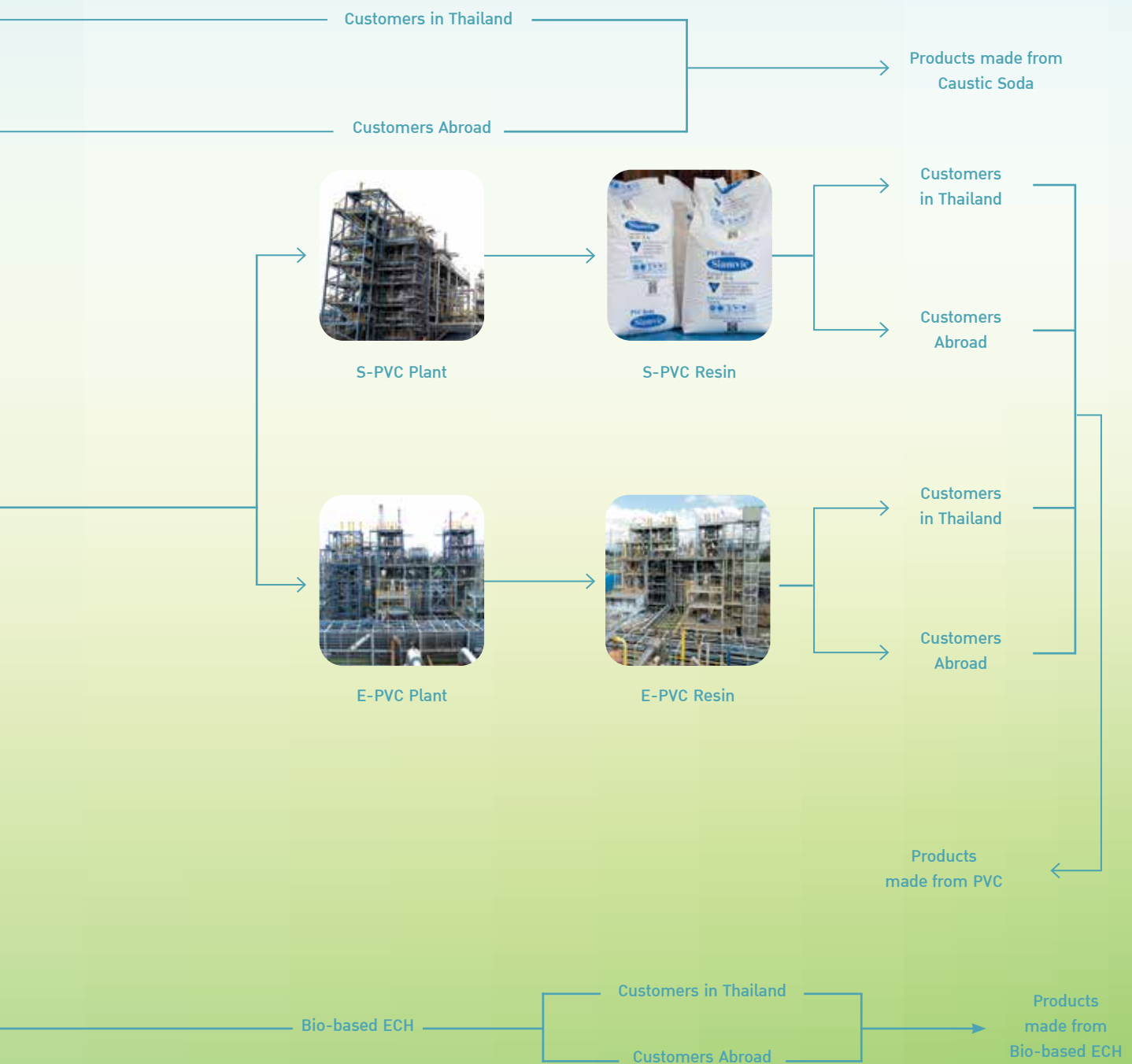
INCOME STRUCTURE OF ASSOCIATED COMPANY

Product / Service	2020		2019		2018	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
Pimai Salt Co., Ltd.						
Produce & Supply Pure Refined Salt	1,630		1,758		1,694	
% Shareholding by Vinythai		20.56		20.56		20.56

ABOUT PRODUCTS

PRODUCTION STRUCTURE: VINYTHAI IS FULLY INTEGRATED PRODUCTION PROCESS





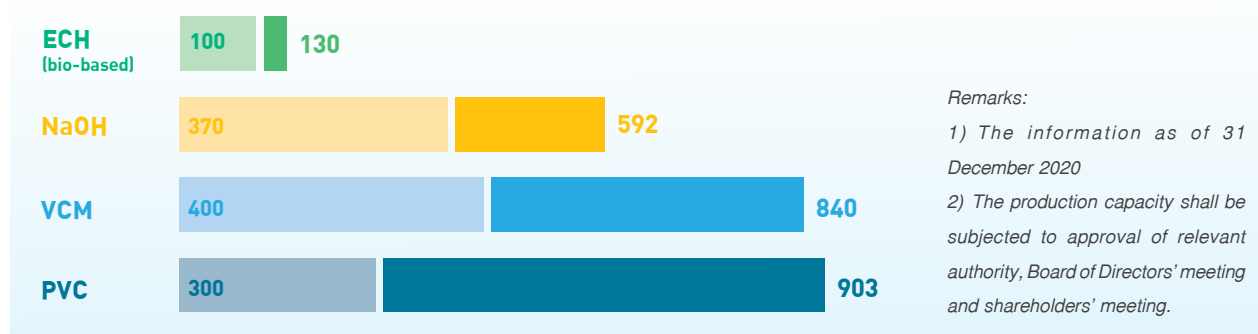
PRODUCTION AND PROCESS DEVELOPMENT

SAFE AND STABLE OPERATION

Even though the strict measures against Covid-19 pandemic, Vinythai can maintain our safe and stable operation policy. The result of continuous no loss time accident and new annual record of PVC production confirms the good performance of our staffs.

Vinythai also keep progressing the detail study of the expansion project (named "SAKURA") in order to submit for EHIA (Environmental, Health Impact Assessment) for approval and expect to start the construction at beginning of next year.

Growth Ambition: Expansion Project



Moreover, Vinythai starts to implement "SMART Factory" project, using the digital technology. With the cooperation with university and supplier, Vinythai develops the model for process simulation and implements machine learning program. These will not only increase the analytical skill of staffs, also help to predict the status and performance of the plant. We could expect better performance for both quality and productivity, while avoiding the mistake and failure of both human and machine.

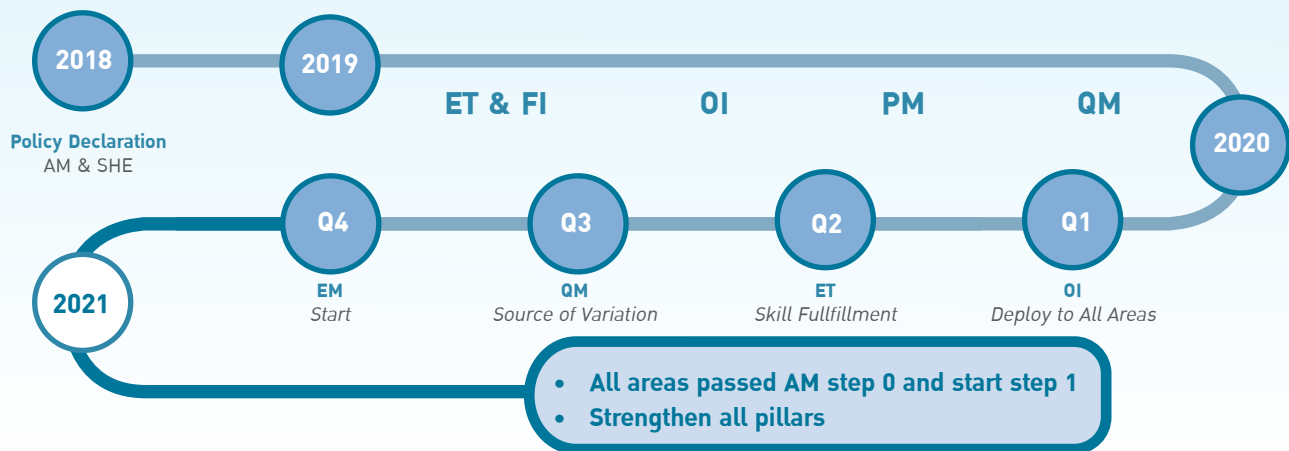


"ME *plus*" activities (Manufacturing Excellence *plus* Total Productive Maintenance) are ongoing.

All 8 pillars of "ME *plus*" have been already implemented which are

- Autonomous Maintenance
- Safety, Health and Environmental
- Focus Improvement
- Education & Training
- Office Improvement
- Professional Maintenance
- Quality Maintenance
- Early Management

TPM Implementation is continued



Innovation and Suggestion Management in Daily Operation

As an innovative partner, Vinythai Innovation Award is initiated to create a better organizational climate and to encourage all employees to propose their innovation activities to improve their daily operation in the following areas: safety and stable operation, cost and quality competitiveness, customer satisfaction, compliance, health & environment and productivity. Executed under ME *plus*, innovation project has the ultimate goal in transforming ideas and suggestions into concrete actions. Outstanding innovations, which have been practically implemented and significantly achieved, are recognized and rewarded in an annual event, ME *plus* Day.



In 2020, the first year of Vinythai entering in AGC Chemicals Company President Award event — which regularly organized to award to outstanding Innovation & Operational Excellence activities in the AGC Group for which contributes to increasing the corporate value and enhancing the company operations among those realized Diversity, Environment, and Integrity in AGC Group Shared Values. We nominated 6 ideas designated from Manufacturing Process (3) and Manufacturing Support (3) and received awards for all Vinythai nominations: one special award, two bronze awards, two silver awards and one gold award. These awards show that the company's activities and achievements have been honored and recognized.



PRODUCT INFORMATION

Vinylthai 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.

PVC or Polyvinyl Chloride

Polyvinyl chloride (PVC), is a key component of the global petrochemical sectors, ranking it by the global consumption in the third range of thermoplastics behind polyethylene (PE) and polypropylene. Our PVC resin, a high-quality range of suspension and emulsion with the trademark "Siamvic™", can be compatible and formulated with various types of modifier and additives, compounded or fabricated into a variety of forms. Thus, it can be applied in various applications to serve automotive, building & construction, electrical & electronics, consumer goods, packaging, healthcare, and other industries, such as pipes, fittings, profiles, tubes, windows, doors, sidings, wire & cable, film, sheet, and flooring.

Innovation Development of PVC Resins

Vinylthai's mission, 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. In order to serve market's need, customize in product quality and quality consistency, voice of customer and market demand are evaluated.

PVC pilot line is constructed with purpose to support on product development, process and quality improvement to satisfy customer and market requirement. Pilot plant will allow our flexibility of sourcing and evaluating alternative raw materials for process improvement and cost saving purpose, which will ensure to maintain competitiveness of our PVC technology.

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.

Innovation Development of Bio-based Epichlorohydrin (ECH)

Advanced Biochemical (Thailand) looked to help enable other bio-based solutions for coating and advanced composite materials. The company works closely with academic and industrial partners developing bio-based materials under the "Growth Project" to promote the value proposition of bio-based ECH in markets where customers can capitalize on the true value of renewable materials. Currently, the project focuses on potential substitution technologies which could react with ABT's bio-based ECH to enable epoxy resins with higher bio-based carbon content and performance.

Visionary partners interested in developing cutting-edge biomaterials are collaborating with ABT and pursuing a range of forward-looking partnership opportunities.

SALES AND MARKETING

SALES AND MARKETING POLICY IN 2020

PVC or Polyvinyl Chloride

Country and Industrial lockdown resulted from Coronavirus pandemic has direct impact to the PVC demand. PVC demand impact from slow industrial recovery especially in building and construction, automotive. Drought season in Thailand in 2020, government spending project in water management system pull the demand of PVC pipe. Vinythai had adjusted our product mixed and support domestic market, hence the portion of PVC domestic sales increasing from 60 - 65% to 70% this year (in according with Vinythai projection).

Caustic Soda, or Sodium Hydroxide

Vinythai's strategy remained to continue to grow in Thailand market with market share 30% in 2020 (Vinythai's estimation). Proportion of Caustic soda sales are 98% in domestic and 2% in export to SEA market. The major customers are in textile, chemicals, petrochemicals, detergent, pulp & paper, food and others.

Bio-based Epichlorohydrin (ECH)

Globally Recognized Biochemical Player

In 2020, Advanced Biochemical (Thailand) exports over 80% of its ECH business and nearly 20% is consumed within Thai domestic market. Export to Asia including China, Japan, India,

South Korea, Taiwan accounts 85% of ABT's total ECH exports. ABT sees the opportunity and growth for the US and EU market, thanks to well product allocation and diversified customer portfolio as well as opened new customers.

Epichlorohydrin (ECH) is versatile chemical intermediate used in a variety of applications, including epoxy resins, paper wet strength resins, rubbers, surfactants and water treatment chemicals. ECH is used to produce epoxy resins which accounts for over 80% of total ECH consumption. Epoxy resins are used mainly in surface coatings. The major surface coating applications include powder coatings for metal surfaces, anticorrosion coatings for structural foundations, industrial and marine applications, automotive primers and protective coatings for food cans.

The company's long-term direction towards sustainability is set by studying of a comparative life cycle assessment (LCA) 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 ecological footprint of their products under their corporate social responsibility (CSR) strategies.

Advanced Biochemical (Thailand) aims to be a leader and market reference of Bio-based ECH in the global by providing the most sustainable ECH and bring its value to downstream.



MARKET COMPETITION AND OUTLINE FOR 2020

PVC or Polyvinyl Chloride

In 2020, the local PVC industry continued to grow from 2019 especially demand from local government project to support drought season. Global supply was very tight balance from production issues and Force majeure declaration of US and EU producers. Supply from NEA was limited from production issues, on-going environmental controls in China, producers focus on supplying their domestic markets due to limited shipping space. PVC demand in Asia continued to grow, especially in India and South East Asia. Vinythai, meanwhile, prioritized growth in Thailand and SEA.

PVC prices were under pressure from global tight balance, strong Thai Baht and slow Industrial recovery after coronavirus pandemic created uncertainty in the market, hence high fluctuation of PVC price during 2020.

Caustic Soda, or Sodium Hydroxide

As a result of Covid-19 pandemic, the forecasted demand growth of caustic soda is -4% in 2020 (Vinythai's estimation). The country and industrial lock down in many countries during Q2 resulted to the sharp drop of market demand. However, the increasing demand of caustic soda derivative - chlorine to produce PVC, pushed more caustic soda to the market and the producers had to reduce the price of caustic soda to balance the inventory. This supported the local importer to import caustic soda at low price to sell in the market. At the same time, the major competitor in Thailand also increased the capacity while the market demand has not yet fully recovered, the crucial price competition occurred from Q3 onward. However, Vinythai still maintained its market share in 2020.

Bio-based Epichlorohydrin (ECH)

Bio-based Epichlorohydrin business inevitably impacted from the pandemic COVID-19. After a stronger-than-expected start to the year, sales dropped by one-third in the second quarter, reflecting the severe impact from government containment measures in our key markets. The demand has resumed from the third quarter, driven by robust demand for epoxy resins in Asia after rapid recovery from COVID-19. Overall, sales in 2020 has declined by 6%, largely impacted by the pandemic and supply limitation.

Average market prices of Epichlorohydrin were lower than in 2019, this was due to market volatility and unprecedented disruption caused by the pandemic. The price started to rebound in Q4 supported by healthy demand amid supply tightness caused by heavy turnaround maintenance schedules and production hiccups of major Asian producers.

Glycerin feedstock price was on upturn in 2020, the second quarter was very tough due to the supply limitation and the sharp price increase of glycerol following the slowdown in biodiesel demand resulted from lockdowns, directly impacted by the pandemic, leading to a significant narrowing in the spread between ECH and Glycerin. However, the pressure on Glycerin feedstock has been reduced after relaxations.

Another challenge for the year caused by COVID-19 is sea logistic, structural maritime market became imbalance and carrier capacities were cut, resulting in massive shipment delays and surged in freight cost.



SUPPLY CHAIN

Procurement

The production complex consists of

- **Chlor-Alkali or Electrolysis plant** produces Chlorine, for using as a raw material in VCM production and Epichlorohydrin production, 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. The exceeding VCM product is also sold on the market.
- **PVC Plant** produces PVC Suspension and PVC Emulsion for distribution to domestic and export market.
- **Epichlorohydrin Plant** produces bio-based Epichlorohydrin for domestic and export market.

The plant still maintained high operating rates in all the Chlor-Alkali, VCM, PVC and Epichlorohydrin 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 Maintenance) which allows the plant to further increase its Overall Equipment Effectiveness with Stable Operation, are factors to increase its annual production capacity.

Total Production Capacity

Effective Capacity (tons)	2017	2018	2019	2020
1. Caustic Soda	370,000	370,000	370,000	370,000
2. VCM	400,000	400,000	400,000	400,000
3. PVC	280,000	300,000	300,000	300,000
4. Epichlorohydrin*	100,000	100,000	120,000	120,000

* Advanced Biochemical (Thailand) Company Limited

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

In November 2019, Epichlorohydrin Plant had executed the improvement and succeeded to increase the effective capacity 20,000 tpa against 2018.

As a result of all this shall support the company's position as a key player in the regional Vinyl and Caustic Soda and Epichlorohydrin 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 2020, total variable production cost comparing to 2019 was slightly decreased in line with market [lower Ethylene prices (-11%) and higher Glycerin prices (+8%)].





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-price 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 caustic soda and 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.

In 2020, the company has signed long term Power Supply Agreement with Bangkok Cogeneration Company Limited and has renewed long term Power Supply Agreement with GLOW for the expiring Power Supply Agreement in 2022 which allow the company to have reliable and competitive electricity supply.

Chlorine Procurement

In 2020, the company has signed Chlorine Supply Agreement



with AGC Chemicals (Thailand) Co., Ltd. and can off take Chlorine via pipeline if needed. Therefore, we can ensure stable supply of Chlorine in case of Chlor-Alkali Plant hiccup.

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 offtake contract, ended in 2021 and 2022, with PTT Global Chemical PLC, in order to procure ethylene supply for the company's production.

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

Glycerin Procurement

Glycerin is key raw material to produce Epichlorohydrin. Advanced Biochemical (Thailand) Co., Ltd. sources and purchases Glycerine from various suppliers to ensure the reliable supply;

- domestic and imported Glycerine
- Biodiesel and Oleochemicals Industries

- Thailand, Southeast Asia, Latin America and Europe

Advanced Biochemical (Thailand) selects Glycerine Supply from the suppliers who meet sustainable criteria (RSPO, ISCC) and qualification criteria (Halal, Kosher, Renewable Vegetable sources) to ensure good quality of bio-based ECH product and performance.

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 2020, local purchasing accounted for 78% of the total purchase of raw materials by the company.

ASSETS USED IN BUSINESS OPERATION

Main Assets

Value of the Main Assets

Book value of owned office equipment, land, buildings and main machinery as at 31 December 2020 are as follows:

Consolidated Financial Statements

Items	Useful Life (years)	Book value as of 31 December 2020 (thousand Baht)
1. Lease land improvement	50	284,781
2. Buildings and building improvement	10 - 50	1,284,310
3. Machinery and equipment	5 - 30	5,509,365
4. Furniture, fixtures and office equipment	3 - 30	42,703
5. Vehicle	5 - 10	17,920
6. Assets under construction and machinery under installation	-	403,092
Total		7,542,171

Separate Financial Statements

Items	Useful Life (years)	Book value as of 31 December 2020 (thousand Baht)
1. Lease land improvement	50	284,781
2. Buildings and building improvement	10 - 50	922,044
3. Machinery and equipment	5 - 30	3,940,093
4. Furniture, fixtures and office equipment	3 - 30	41,045
5. Vehicle	5 - 10	17,920
6. Assets under construction and machinery under installation	-	389,565
Total		5,595,448

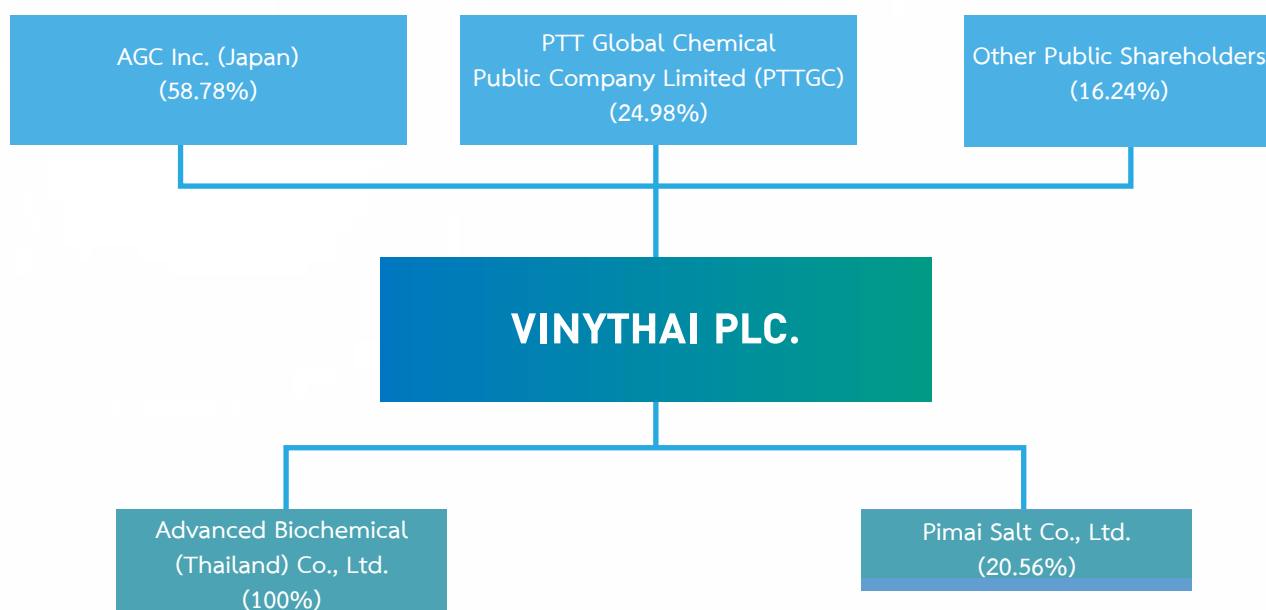
Rights, Lease Agreement and Commitment

The Business Office is located at 14th Floor, Mitrtown office tower, No.944 Rama 4 Road, Wangmai Sub-District, Pathumwan District, Bangkok 10330 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, Map Ta Phut Sub-District, Mueang Rayong District, Rayong Province 21150. The company leased the land from the Industrial Estate Authority of Thailand in the area of 240 rai. The substances of this agreement are:

- lease term from 15 June 2019 to 14 June 2039 for 20 years

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, Map Ta Phut Sub-District, Mueang Rayong District, Rayong Province, Telephone No. +66 (0) 3892 5000, Fax No. +66 (0) 3868 3048 and its business office in Bangkok is located at No. 944 Mitrtown Office Tower, 14th Floor, Rama 4 Road, Wangmai Sub-District, Pathumwan District, Bangkok 10330 Tel. No. +66 (0) 2030 6800, Fax No. +66 (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 Pimai District, Nakhon Ratchasima Province, Thailand. The Head Office is located at 1st Floor, Srfuengfung Building, 1016 Rama 4 Road, Silom, Bangrak District, Bangkok 10500, Telephone No. +66 (0) 2633 9380-5, Fax No. +66 (0) 2633 9390.

Information concerning juristic person in which Vinythai Holds st 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, Map Ta Phut Sub-District, Mueang Rayong District, Rayong Province 21150, Thailand Telephone No. : +66 (0) 3892 5000 Fax No. : +66 (0) 3868 3048
Address of Business Office	:	No. 944 Mitrtown Office Tower, 14 th Floor, Rama 4 Road, Wangmai Sub-District, Pathumwan District, Bangkok 10330, Thailand Telephone No. : +66 (0) 2030 6800 Fax No. : +66 (0) 2030 6801-2
Type of Business	:	Manufacturing and trading 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	:	1 st Floor Room A, Srfuengfung Building, 1016 Rama 4 Road, Silom Sub-District, Bangrak District, Bangkok 10500 Telephone No. : +66 (0) 2633 9380-5 Fax No. : +66 (0) 2633 9390
Type of Business	:	Manufacturing salt
Company's Registration No.	:	0105537097221
Home Page	:	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

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 1 July 2020). 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.

Shareholders

(1) Major Shareholders

(a) The First 10 Major Shareholders:

No.	Names of Shareholders	As of 1 July 2020	
		Number of Shares (Shares)	%
1	AGC INC. (JAPAN)	696,663,509	58.781
2	PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED	296,038,689	24.978
3	THAI NVDR COMPANY LIMITED	24,235,452	2.045
4	MR. YANYONG PHATRALAOHA	9,937,135	0.838
5	MR. KITTI PHATRALAOHA	6,721,230	0.567
6	MR. NARONG PHATRALAOHA	6,620,645	0.559
7	BBHISL NOMINEES LIMITED	6,442,300	0.544
8	STATE STREET EUROPE LIMITED	5,773,169	0.487
9	MS. WANNGAM KITTHANAMONGKONCHAI	5,330,000	0.450
10	MR. SOMBAT PHANICHCHEWA	5,000,000	0.422

(b) At the above-mentioned latest closing date of the share register, the group of major shareholders who can significantly influence and determine the policy, management and operations of the company are as follows:

1. AGC INC. (JAPAN) held a total of 696,663,509 shares, or 58.781%, in the company.
2. PTT Global Chemical Public Company Limited holds a total of 296,038,689 shares, or 24.978%, in the company.

(2) Holding Company

-none-

(3) Shareholder's Support Agreement

-none-

Number of common shares and paid-up capital

- (1) Registered capital and Paid-up capital is Baht 7,111,160,664 consists of 1,185,193,444 ordinary shares of 6 Baht each.

- (2) Other Shares: None

Other Securities

-none-

Dividend Policy

It is the policy of the company to pay an annual dividend of not less than 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.

The Dividend Payment Policy for VNT's Subsidiaries

The payment of dividends by the subsidiaries shall be considered and proposed by the Board of Directors of each subsidiary for approval at the Annual General Meeting of each subsidiary. The dividend payment of subsidiaries shall be calculated based on the investment plans and other requirements and considerations, such as the adequacy of cash flow of each subsidiary after deducting reserve funds in accordance with the law.



RISK MANAGEMENT AND MITIGATION

RISK MANAGEMENT POLICY AND PLAN

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, Project 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.

RISK ISSUES AND MITIGATION

The company reviewed its risk factors covering Business operation, Production, Financial, and Investment (including investment of investors and foreign investment), and broadly classified its potential risks as following.

BUSINESS OPERATION RISKS

Reliance on a Single Business Sector

In 2020, over 40% of all PVC resin demand in Thailand came from the pipe and fitting sector, with consumption being closely aligned with the water management project, local government project and government-initiated public infrastructure projects.

Mitigation:

Vinythai has adopted a policy of diversification that focuses on expanding into different sectors, such as compound, 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.

Reliance on a Limited Number of Suppliers

The Vinyls production process is dependent upon Ethylene, Electricity and Salt as its principal raw materials and utilities. 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 and utility 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.

Fluctuation of Product, Raw Material and Utility 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 Utilities

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.

Mitigation:

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 continued to generate significant results and largely enhance the company business performances in term of the fixed & variable costs, productivity and price management.

Cyber Risk

Cyber Risk has 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 implementing 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.



Severe Pandemic (COVID-19)

As the impact of COVID-19 escalates around the world, Vinythai has taken measures to adapt to this rapidly-evolving situation. We protect health, safety and business continuity in the light of the global coronavirus pandemic.

Mitigation:

At Vinythai, the health and safety of our employees come first. Therefore, we have put in place the Business Continuity teams responsible for assessing and implementing government measures, recommendations and guidelines to best protect our employees and the local communities where we operate, and ensure reasonable business continuity.

In line with those measures, Vinythai has shifted to remote working by implementing "Work from Home" for all employees who can effectively work from home.

In regards to industrial operations, our plant at Map Ta Phut, Rayong is, to date, still operational with strong health and safety restrictions, in particular:

- Our plant has put in place robust continuity plans, which include manpower planning, hygienic practices and stringent epidemic prevention measures with restricted access to critical area.*
- Our supply chain teams work hard with suppliers to secure availability of raw materials and transport.*
- Our internal communication is carried out to increase awareness, discipline for personal protection, regularly updated situation.*
- Our HSE has closely monitored the situation with Ministry of Public Health and Department of Diseases Control to properly and effectively implemented the measures and early reporting of suspicious symptoms.*
- Where employees cannot work effectively from home, strong measures have been taken to observe social distancing and large gatherings are strictly forbidden.*
- Additionally, our plant has doctor and nurse who are available to guide our employees and address questions.*
- All employees have been equipped with hygiene kit composing of hygiene mask, alcohol gel and alcohol pad.*

Nevertheless, at Vinythai we remain fully committed to keeping our employees, customers, communities and broader stakeholders informed on the company's measures related to this

crisis, as well as offering our promise to continue protecting health and safety of our employees which is our number one priority, and business continuity during these challenging circumstances.

PRODUCTION RISKS

Safety and Environmental

From the operations, 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, lead to interruptions to production, environmental concerns are becoming more serious both domestically and globally with volatility and unexpected changes, with significant potential impact on the company's financial performance.

Mitigation:

We strive to maintain high operational standard in order 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", under the company strategy for driving and enhancing company's' capability in pursuit of safety, health and environment excellence in a consistent and sustainable manner.

The company has continuously enhanced the Process Safety Management (PSM), asset and integrity management, as well as the development of the experts and capability of our personnel on the safety risk analysis and assessment. The requirement in 2020 with no major nonconformity. The process safety risk analysis has been reviewed regularly as planned including enhancing on the safety engineering standards of the company also.

Vinythai recognizes the importance of environmental management to systematically control and mitigate potential impacts. The company focused on management with due regard for environmental, social, and governance (ESG) aspects in driving the organization under the strategy for transparent growth, focusing on equitable benefits of all stakeholders in parallel with sustainable stewardship of the environment and community happiness.

Vinythai continues to apply the environmental management approach of ISO 14001:2015, incorporated with the Eco-Industry Environmental Framework and ISO 26000 operation standard

on CSR under the CSR-DIW initiative. These management approaches played a part in supporting company to receive the Environmental Governance Award in 2019 from IEAT.

Continuously exercising 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, the company also safeguards personnel and the environment and regularly reviews of these plans.

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

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 levels. 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).

Water Supply Crisis

Water crisis occurred in Map Ta Phut Industrial Estate due to drought and less reserved water in surrounding reservoirs since 2019.

Mitigation:

The company continuously monitors the water situation and assesses the risk which possibly to occur. Its water management program has been strengthened in all processes. The company succeeded to secure its water supply from the alternative

sources, and already installed the water recycle unit to convert its wastewater to use in its processes. In addition, the company continues investing in another recycle units, which should reduce its total water consumption more than 20% after installation completion in 2022.

FINANCIAL RISKS

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 forwarding contracts and others as necessary, so as to minimize its foreign exchange rate risk exposure at any given time.



MEGATREND - GREEN MOVEMENT RISKS

Greenhouse Gas Emission

Greenhouse gases could trap heat and make the planet warmer. The largest sources of greenhouse gas emissions are from burning fossil fuels for electricity, heat, and transportation. Nevertheless, other sources would be from industry, commercial & residential, agriculture, and land use and 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 in terms of emission reduction and 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 and 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*
- *Continue Performance management to monitor the project execution*

Those programs led the company to receive many Recognition Awards over the past few years.





SUSTAINABILITY MANAGEMENT

With Vinythai's mission "Vinythai, the first choice in chlor-alkali and biochemicals for better living and sustainability" is indispensable to the company's mid- and long-term business plans. As such, its corporate social responsibility ethic is commensurately strong, requiring all management and staff, including all stakeholders, internally and externally, to be actively involved in relevant measures.

SUSTAINABILITY POLICY

The Board of Directors' Engagement in Social Responsibility Practices

The Vinythai Board of Directors' engagement in SR practices exists at the policy and management levels. The Board of Directors overviews the previous years' operations and results, including gives suggestions on needed improvements. Additionally, the Management adopted and participated in the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) which is coordinated by the Thai Institute of Directors (IOD).

The Board of Directors' engagement in this social responsibility process contributes greatly to the accomplishment of the sustainability goals set according to its economic, environmental, social, and cultural responsibilities.

Management System Policy

Vinythai Group embraces the following key principles in its management system;

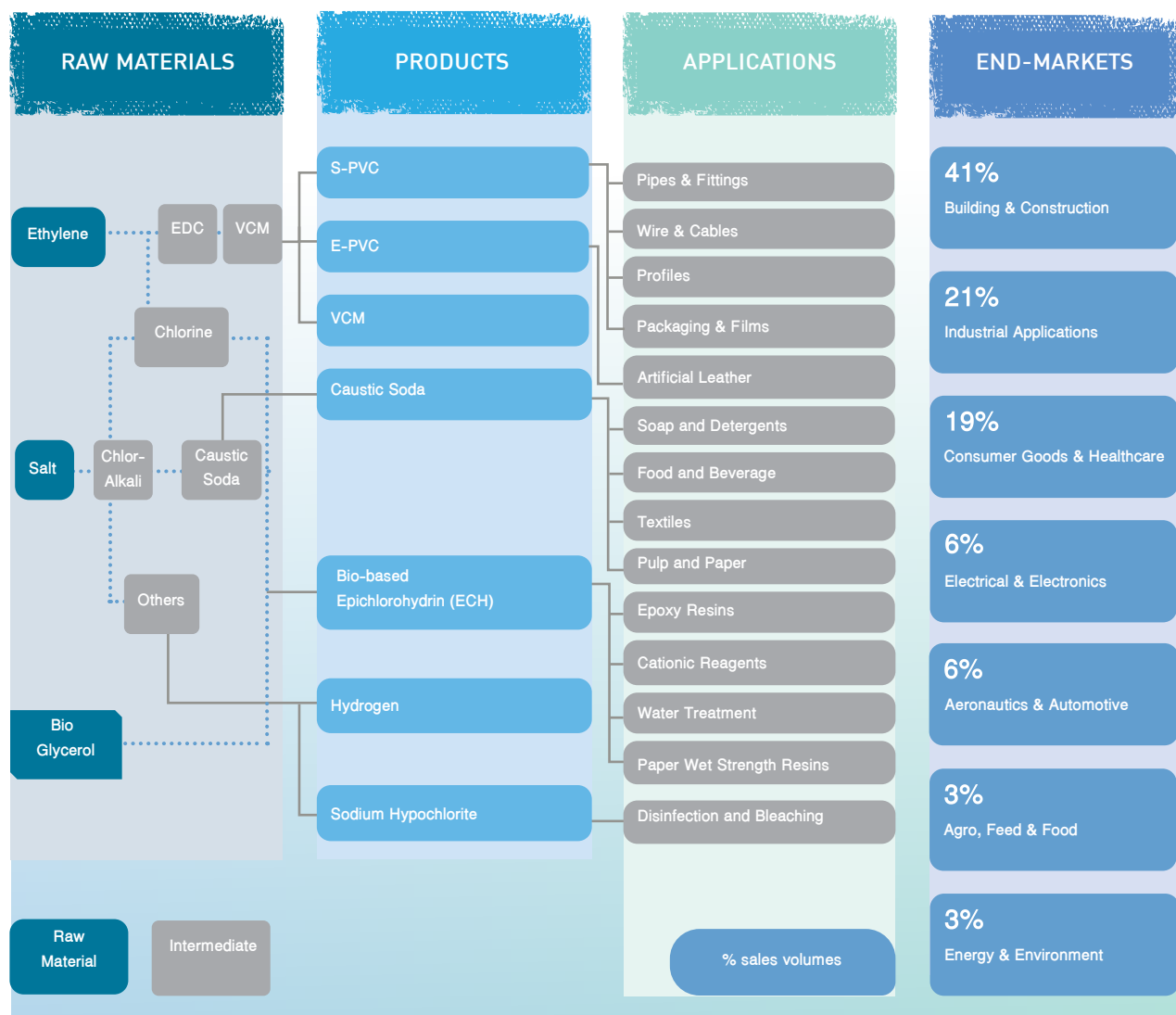
1. **Safety and Health:** To maintain the zero-accident target and to prevent the occupational disease to make safe and healthy working environment the 1st priority in all activities involving employees, contractors and other stakeholders. The company carries the Process Safety Management and Transport Safety Management to ensure the safety of process operation and logistics operation both on-site and off-site met the specific standards.
2. **Compliance:** To comply with all applicable legal requirements, business codes of conduct, and other rules and regulations which the Group subscribes both internally and externally, embracing our shared value of Integrity.
3. **Employee:** To enhance employee engagement, People Development and foster "one-team" spirit enriched by Diversity throughout the company to support a happy workplace.
4. **Stakeholders:** To promote and increase satisfaction for our customers through the quality of products, services

and product stewardship management that ensure a comprehensive understanding of product's hazards, risks, impacts and product safety obligations related to its life cycle and intended usage, and to enhance other key stakeholders' satisfaction — suppliers or external providers, communities, and investors.

5. **Environment:** To integrate environmental and energy conservation principles into daily activities by consistently reducing the impacts of our businesses in terms of energy consumption, natural resource & resource consumption, emission reduction and prevention, including product life cycle perspectives.
6. **Innovation and Operational Excellence:** To commit to continual improvement, risk-based approach and preventive principle, and best practices via established management tools and processes, including innovation & suggestion, knowledge management, excellence programs and sustainable development program.

STAKEHOLDERS MANAGEMENT IN VALUE CHAIN

Business Value Chain



Stakeholders Analysis

Vinythai adheres to social responsibility in implementing the principle dimensions of its corporate responsibility strategies; economic, social, environmental pillars. Meeting the needs and expectations of the company's seven key stakeholders and incorporating pertinent provisions into its plans are the strategy's primary focus. With customers, employees, investors, communities, governmental agencies, non-profit organizations, and suppliers alike, the main objective is to support business growth while providing solutions to stakeholders, not least by acting with social responsibility and minimizing environmental impacts. Relevant action plans are established, monitored and reported by the owner(s) of each area.

VINYTHAI STAKEHOLDER ENGAGEMENT

Vinythai creates two-way communication between stakeholders and the company. It takes the opinions of its stakeholders into account in its business management and to identify areas for improvement.

Stakeholders	Expectations and Concerns	Response to Expectations and Concerns	Communication Channels
Customers 	- Quality product and service - Understanding of customer needs - Technical service - Delivery and logistics - Product development as per customer requirement - Stable supply - Global standard - Green product - Sustainable products, with low environmental footprint, bio-based content, proof of ethical raw material purchasing - Reasonable price - Etc.	- Resolved to deal promptly with customer complaints; strives to achieve high customer satisfaction; promotes sound relations based on respect for customer interests; - Committed to continually developing products and services that add value to the customer; - Takes full responsibility for consistently providing good-quality products and services at reasonable prices; - Provides comprehensive and accurate information concerning its products and services in conjunction with professional advice on product selection and utilization; - Actively consults with customers to find the best ways to mitigate any potentially harmful impacts from utilization of its products; jointly develops products with customers that optimize their business growth while safeguarding public health and the environment; - Regularly organizes Customer Relationship Management (CRM) activities and conducts customer satisfaction surveys; - Timely/Regular sharing the market information, related standard, regulatory concerned issue to customers.	Customers are visited by sales and plant audit teams. Visiting customers directly is the best way to gauge their expectations and needs. Other customer contacts take place periodically through CRM activities and customer satisfaction surveys. Plant audit/visits by customers based on demand. Moreover, for Bio-based Epichlorohydrin business, a LinkedIn page of Advanced Biochemical (Thailand) serves as an online channel for business communications aiming mainly at customers, both existing and prospective, and parties along the epichlorohydrin value chain.

Stakeholders	Expectations and Concerns	Response to Expectations and Concerns	Communication Channels
Employees 	- Physical working conditions improvement - Pay and benefits - Human capital development - Feel free to speak one's mind - Fair reward for what one does - Career stability and growth - Pride and satisfaction in working for the Company - Creating a common culture - Reasonable work volume - Treated with respect - Clear idea of work expectations - Good use of personnel's skills and abilities	- Values and enables employees to have pride in the organization by providing working environments designed to maximize participation and opportunities for career advancement; - Encourages employees to develop their ability to thoroughly and continually create value and maintain business excellence by: - Offering equal employment opportunities, respecting human rights and employee's rights, and developing and fully realizing employees' potential in performing their tasks and duties. The Company also implements equitable employment conditions and maintains a safe and conducive working environment. A welfare committee comprising representatives from the management and employees monitors and reviews employee benefits to ensure the employees' welfare is adequate and secures for them parity with the industry; - Providing training and employee development opportunities at all levels. Employees are encouraged to develop thorough knowledge and competencies, so as to continuously upgrade both the ability of the organization and its capacity in each work area; - Providing seminars and training sessions for all employee levels in order to gain appropriate knowledge and understanding in respect of the environment, including nurturing awareness of the need to protect natural resources and the environment within the community and as concerns the public; - Promoting two-way communications within the whole Company and making employees feel proud to work for the organization; - Creating "One Team" culture with good collaboration across organization; - Providing suitable welfare and competitive pay for all levels of employees; - Providing the recognition awards for the exceptional achievement; - Placing at the top of all priorities, hygiene, safety and environment in the workplace.	Vinythai uses a range of internal channels to communicate with employees, including e-News, CSR events, posters, banners, intranet, internal TV, brochures, and small group discussions. - Bridging day = 2/2 times - Message from MD = 12/12 times - HSE Committee meeting = 12/12 times - Welfare Committee meeting = 4/4 times - Employee Engagement Survey = 1 per 2 years/ 1 per 2 years

Stakeholders	Expectations and Concerns	Response to Expectations and Concerns	Communication Channels
Local Communities 	• Participation in community activities • Sponsorship of community activities • Scholarship for local students • Supporting community enterprises • Hiring local people • Care in elderly people, bedridden patients and disable people • Protection and care in respect of environment (air, water and waste), health and safety • Transportation safety • Traffic congestion • Green area expansion in communities	• Having CSR plan and implemented by responsible team; • Providing scholarships for local students and youths are annually given in 2 occasions, annual robe presentation ceremony and Songkran festival; • Supporting learning, skills development and marketing channels among community enterprise members; • Sharing information about job opportunities through different channels i.e. Group Lines, meeting, radio, banners, website, QR code; • Supporting elderly people to generate income through Mabkha Mabnai community enterprise by leveraging their quality of handcrafted flowers and introducing marketing channels; • Considering how to utilize natural resources with minimum impact on society, the environment and quality of life; • Creating business practices and implementing activities that are responsible and beneficial to society, both in the short and long term, regarding social and environmental responsibility; • Encouraging employees to be aware of their safety and stable operation; • Installing of fatigue detectors in transporters' trucks as well as inauguration of salt transportation by rail; • Having organized and participated in tree planting activities both in the plant and communities in different occasions.	• Always on website and community leaders' group Line; • Promote social activities in local newspapers or online newspapers at least 5 times; • Sharing information about environmental management and social activities to IEAT, local government agencies and communities through report for good government and CSR Awards; • Visiting 38 communities, 11 fishermen groups and local government agencies for introduction of the new project and asking for suggestions of existing social activities 1 time; • Promoting the new project and social activities through brochures; • Displaying social activities exhibition during the public hearing meeting.

Stakeholders	Expectations and Concerns	Response to Expectations and Concerns	Communication Channels
Shareholders 	• Good corporate governance • Transparency and accountability • Legal compliance • Regular, satisfactory dividend payments • Sustainable growth • Business ethics and responsible business practices • Shareholder rights and fair treatment in accordance with SET regulations • Early notice of convocations • Active response to shareholder votes (resolutions and results) • Satisfactory financial performance • Etc.	• Drives the sustainable growth of the company and creates continuous profits by conducting business with care and transparency, so as to generate competitive, long-term value for shareholders; • Notices of convocation are sent as early as possible and posted on the company's website. • Notices regarding exercise of voting rights, resolutions and results of the exercise of voting rights are posted to the homepage for easy access.	Shareholders' General Meetings are opportunities for the company to interact directly with its shareholders, appropriately disclose resolutions, and more. The company's Annual Report is compiled and distributed to all shareholders so they can review Vinythai's performance. Shareholders are also welcomed to explore the company's performance any time online. • Annual Report = 1/1 time • Annual General Meeting (AGM) = 1/1 time • Investor News SET website = 35 times • Website (www.vinythai.co.th) = 24 hours
Governmental agencies, and non-government organizations both domestic and international level 	• Strong network with related government offices and NGOs • Participation in workgroups or commissions of professional associations organized by the network • Support for the company's activities from our network • Information sharing regarding the company's business and products • Cooperation for their activities by being an active member • Support and assistance for matters impact to the business from our network • Updated information about change of regulations that impact to company's products and businesses	• Updating the list of contact regularly; • Being active member of member associations; • Sharing experience and information via different tools and occasions; • Participation in activities related to the company's products and business; • Invitation to the network to join our activities; • Providing information and creating understanding, about products and businesses; • Being resolved to comply with relevant regulations; • Collaboration on related projects initiated by the organizations; • Regularly exchange information with the network.	• Regular communication via e-mail, periodically meeting and social network platform; • Schedule visit on special occasions; • Schedule visit to consult about development of relevant regulations related to our projects; • Participation in the activities initiated by the network; • Submission of reports as scheduled.

Stakeholders	Expectations and Concerns	Response to Expectations and Concerns	Communication Channels
Suppliers 	- Fair business practices - Transparent management - Responsible management - Reasonable wages - Accurate payment periods - Job opportunities - No bribery, lobbying or corruption - Commitment to supplier confidentiality and respecting trade secrets - Value-added and sustainable operations - Etc.	Business Partners - Obliges directors, executives and employees involved in leasing, hiring, purchasing or selling property or goods or services of all kinds to act strictly in the company's best interests based on accurate, actual information that does not mislead lessors, leaseholders, buyers or sellers of assets, products or services with information that is incomplete or insufficiently accurate; - Involved executives and employees do not accept gifts or any other remuneration unless it is a traditional practice, in which cases such gifts or remuneration should not be of such high value as to invite censure or prompt special consideration in the future. Business Alliances Committed to compliance with agreements made with its business partners in a manner that is mutually beneficial to the overall business.	Vinythai communicates with suppliers through various means, including annual meetings with contractors, supplier assessments, satisfaction surveys, kick-off meetings, small group discussions, posters, banners, internal TV, and brochures. - Annual meeting = 1/1 time - Supplier assessment = 1/1 time - Satisfaction survey = 1/1 time
Competitors 	- Business conducted in a fair and transparent manner - No dishonest accusation and defamation - The collaboration in sustainability should be formed under various associations which will drive the policies in changing the better system.	- Strictly comply to our Code of Conduct; - All interactions with competitors must be conducted in a transparent manner with honesty, integrity and openness while comply to local and international laws; - Asking for permission and reporting after getting back from the meeting where competitors also join.	Strictly complying to our Code of Conduct, which gives the guideline on how to deal with competitors transparently.

ENVIRONMENTAL MANAGEMENT FOR SUSTAINABILITY

Management Approach

- **Compliance:** To comply with all applicable legal requirements, business code of conduct, and other rules and regulations which the Group subscribes both internally and externally, embracing our shared value of Integrity.
- **Environment:** To integrate environmental and energy conservation principles into daily activities by consistently reducing the impacts of our businesses in term of energy consumption, natural resource & resource consumption, emission reduction and prevention, including product life cycle perspectives.
- **Innovation and Operational Excellence:** To commit to continual improvement, risk-based approach and preventive principle, and best practices via established management tools and processes, including innovation & suggestion, knowledge management, excellence programs and sustainable development program.

Source: Management System Policy

Environmental Performance

Vinythai recognizes the importance of environment management to systematically control, ensure compliance and mitigate the potential impacts.

In 2020, environmental management strategies were driven for transparency, sustainable growth, quality, compliance and benefits to all stakeholders.

Besides the compliance with prevention and mitigation measures and conditions stated in the Environmental Impact Assessment (EIA) report and environmental regulator control and legislation; Vinythai has taken additional steps for its processes toward environmental quality.

Environmental Management Systems

Vinythai continues to apply the environmental management approach of ISO 14001:2015, and Eco-Factory framework of Industrial Estate Authority of Thailand (IEAT). These management approaches support Vinythai and its subsidiary in receiving the Environmental Governance Award (Green Star Award) in 2020 from IEAT.



Environmental Audit

With continuous improvement according to environmental management (ISO 14001:2015) scope, Vinythai had no major nonconformity identified by the certified body (BV).

Water Resource Management

The systematic and cost-effective water resources management minimizes the risk of water shortage for production processes. This management also provides the assessment of risks and maps out the measures to cope with water shortage. Our new water recycle project not only reduces utilization of water resources, but also increases our capability to manage water resources in the long term.

Air Pollution Management and Control

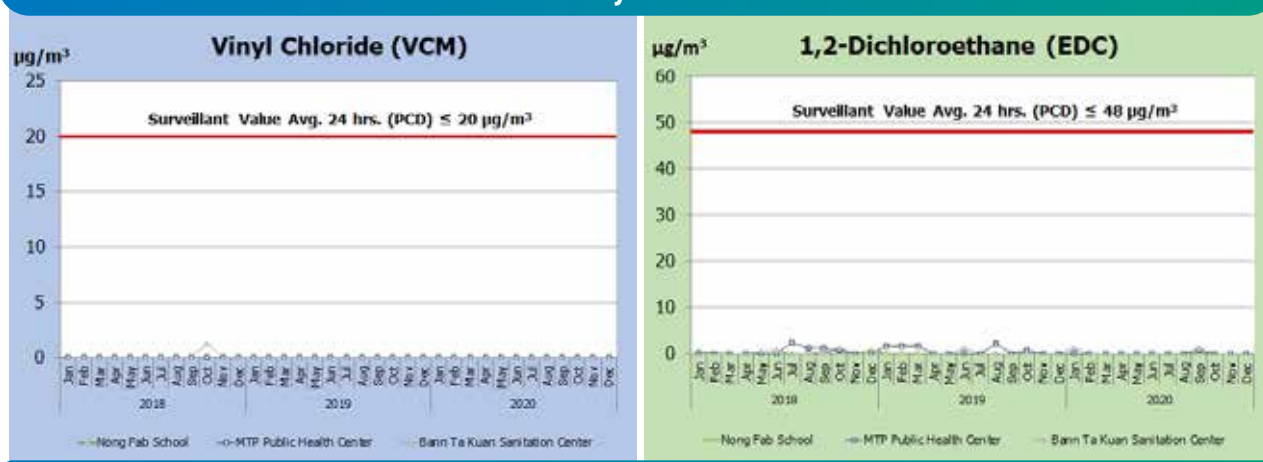
The management covers the entire range of activities from the selection of high efficiency technology with low emission, operation and maintenance planning, and control of air emissions, in particular, the VOC controls and management.

In 2020, Vinythai implemented the "Air Quality Mobile Monitoring Project". The installation of air quality monitoring unit is aimed to identify and monitor the air quality which may impact Vinythai employees, and to monitor the boundary air quality for any emergency situations. Moreover, this air quality monitoring unit monitors emissions of wide range of substances, and VOCs are in focus. The result of measurement can help define efficient measures for curbing impacts to employees.



Values for all Significant Air Pollution Parameters within Legal Requirements and Standards (2018 - 2020)

Air Quality in Ambient



Water Pollution

Under the highest efficient use of natural resources concept of 3Rs, the principle of wastewater treatment begins with reduction of wastewater quantities and segregation of waste right from the beginning. The principle ensures optional use of natural resources and efficient treatment of wastewater by continuously monitoring the COD in water around the clock.

Effluent quality under all parameters was within standards. BOD and COD levels were below 80% of the standard. Wastewater samples are collected and analyzed daily.

Wastewater is treated by activated sludge process. Effluence is discharged into Chak Mak public drainage canal.



Reverse Osmosis Unit

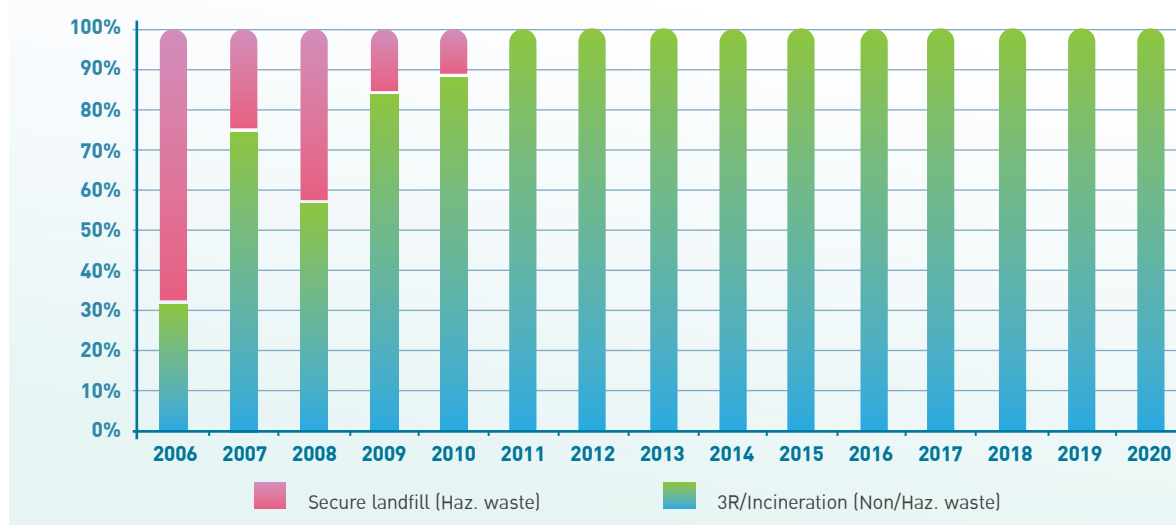
Wastewater Analysis Results

Effluent Quality		pH	BOD (mg/l)	COD (mg/l)
2018	Jan - Dec	7.3 - 8.4	<2 - 11	8 - 41
	Average	7.8	4.1	21.4
2019	Jan - Dec	7.4 - 8.1	<2 - 3	<5 - 55
	Average	7.8	2.3	30.3
2020	Jan - Dec	7.5 - 8.1	<2 - 16	<5 - 48
	Average	7.9	4.1	17.33
STD		5.5 - 9.0	≤ 20	≤ 120

Industrial Waste Management

The system begins with inventory of all industrial wastes, full control of waste storage, transport, and transfer for safe disposal. These processes are handled in line with the regulatory controls. Vinythai is committed to zero industrial waste to landfill by 2020 but could achieve earlier in 2011.

The Method for Industrial Waste Disposal



In addition, Vinythai also applied the 3Rs concept to promotion of Circular Economy with the aim to stress cost-effective resources utilization and minimize volumes of waste to be disposed. This initiative not only protects the environment but takes care of our communities' well-being.

Energy Conservation

Since the company has high power consumption, according to the Ministry of Energy, the Energy Management was established to monitor and examine energy consumption efficiency in production processes and other activities. Committee members are drawn from each of the main departments at the plant. Its tasks include:

- **Long term** — Seek initiatives for development and feasible breakthrough projects concerning energy consumption reduction in each area of the manufacturing plant;
- **Routine** — Closely control, monitor and report on each manufacturing plant. Periodically investigate and audit for Energy Management System compliance.

Training to Raise Employees' Awareness

Energy saving courses are tailored to suit different groups of employees and organized throughout the year.

Energy Conservation Training Courses and Performances 2020

Training Course	Group of Participants	No. of Participants	Average Training Hours (hrs./person/yr.)
1. Refresh Energy Management System	OI and AM trainee	150	0.30
2. New Employee Orientation	New employees	21	0.13

Note: Average training hours = Total training hours/500 persons

Measures to Reduce Energy Consumption

Plans to achieve annual reductions in energy consumption include:

1. Optimize numbers of serviced machines:

- Operating only one pump by installing shut-off valve;

2. Improve more efficient replacement equipment:

- Recoating and remembranizing the old electrolyzers.

Energy consumption in 2020 was reduced by 18,242 gigajoules in total compared to 2019.

Energy Conservation Projects

Energy saving is placed as high priority. In 2020, our employees initiated five energy saving projects which could reduce around 127 GJ of energy consumption.



Enhancement of Transport and Logistics Efficiency (LOG)

Because over 200 truck journeys are involved in our daily operations, Vinythai implemented many approaches to improve transport and logistics efficiency. By increasing truck loading capacity, the transportation for both raw material and products transportation could be reduced around 1,750 trips.

Act on Climate Change

Vinythai is in an energy-intensive industry. The company put utmost efforts to reduce greenhouse gas (GHG) emissions across its entire product lifecycle, from procurement through production, sales, logistics, consumption, and disposal, and contribute towards the realization of a sustainable society.

Energy Conservation and Reduction of CO₂ in the Manufacturing Process

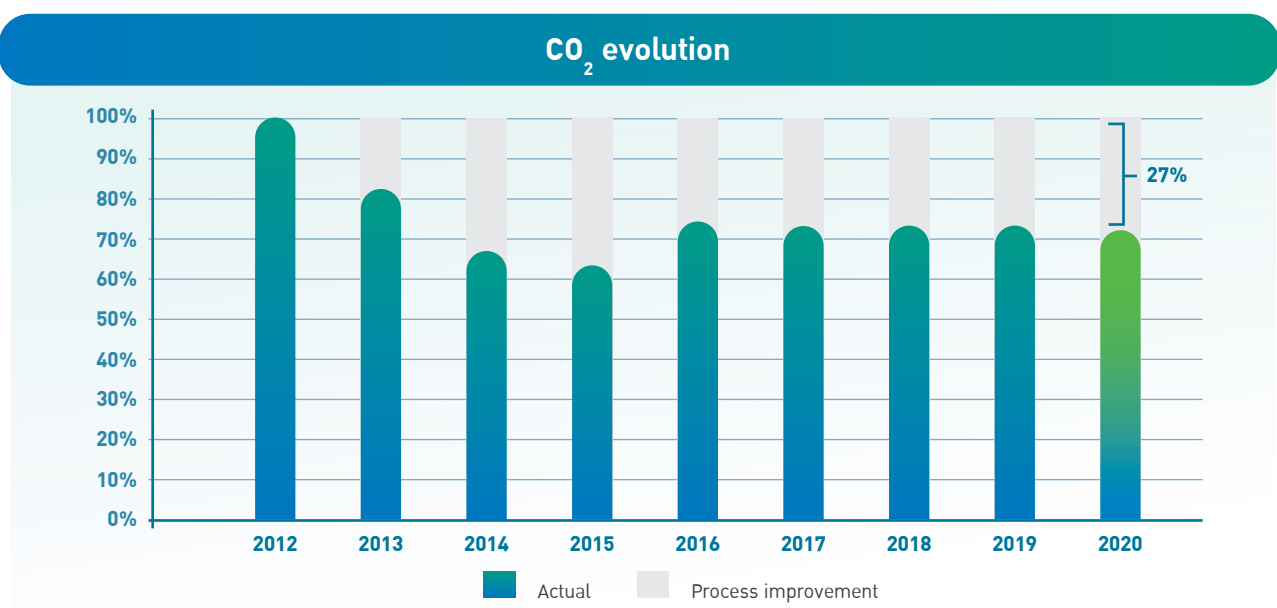
Vinythai has implemented and promoted measures to reduce GHG emissions as follows:

1. *Energy usage & GHG emission internal monitoring and control:* focus on the company's three main utilities following scope 1 [Direct: for natural gas (NG)] and scope 2 (Indirect: for electricity and steam);
2. *Carbon footprint declaration:* focus on six GHG emissions (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆). Vinythai received a Carbon Footprint of Product (CFP) certificate (validation period: 4 Sep 2019 to 3 Sep 2022) from Thailand Greenhouse Gas Management Organization (TGO).

The company promotes energy conservation activities in production processes that are always linked to GHG emission reduction. These activities include simplifying exhaust gas treatment by converting from heavy oil to natural gas or from natural gas to hydrogen; improving production processes through total oxygen combustion and other techniques, and; conducting utility-related energy conservation assessments.

Reduction of Greenhouse Gas Emissions

Realizing the more energy consumption is reduced, the less CO₂ is emitted, Vinythai continually puts its effort into various initiatives in energy reduction project, for example, the company decided to invest new equipment with non-CFC refrigerant to avoid Chlorofluorocarbon (CFC), one of greenhouse gases, emission by 2025.



Moreover, tree planting activities held in both the plant and communities were also help reduce greenhouse gas emissions.



SOCIAL MANAGEMENT FOR SUSTAINABILITY

MANAGEMENT APPROACH

- **Safety and Health:** To maintain the zero-accident target and to prevent the occupational disease to make safe and healthy working environment the 1st priority in all activities involving employees, contractors and other stakeholders. The company carries the Process Safety Management and Transport Safety Management to ensure the safety of process operation and logistics operation both on-site and off-site met the specific standards.
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- **Innovation and Operational Excellence:** To commit to continual improvement, risk-based approach and preventive principle, and best practices via established management tools and processes, including innovation & suggestion, knowledge management, excellence programs and sustainable development program.

Source: Management System Policy

SOCIAL PERFORMANCE

HUMAN RIGHTS AND LABOR PRACTICES

Plan and Progress

	Working Conditions and Social Protection	Occupational Health & Safety	Human Resources Development
Target 2019 - 2021	Respect employees' human rights and guarantee their social rights: - Continue to comply with local laws and regulations; - Continue HSE Committee and welfare Committee activities as employee representatives; - Annual code of conduct awareness training for employees.	Ensure employee health & safety: - Maintain control of risks associated with occupational exposures; - Promote health and wellbeing at work; - Prevent occupational safety accidents by rigorously implementing the safety excellence program; - Continue BMI Improvement Project; - Prevent VNT employees and business partner from COVID-19 pandemic. Safety: "Zero Tolerance" rollout: Reviewed and updated all work instructions including Thai translations; - Reviewed and implemented "Life Saving Rules" in accordance with AGC Chemicals' safety standards; - Strengthened HSE Leadership training at all levels; - Developed and deployed personal HSE objectives. Compliance: HSE Regulatory Compliance and Monitoring. Bad News First: Accident, Incident, and Near-miss Reporting. New HSE KPIs at department and corporate levels. Learn from Each Other: - Training and Education Center development; - Review and develop HSE Information Management System project. Hygiene & Health: - Detailed risk assessment for unacceptable High-Substance of Very High Concern (SVHC); - Study and align "AGC Chemical — Chemical Substances Management"; - Enhance and deploy Hearing Conservation Program. Occupational Health: - Human Biological Monitoring (HBM) exposure program.	Develop employee skills training program: - Vinythai's training roadmap is designed to sustain development of employee competency and expertise; - Implement Industrial academy training program; - Roll out leadership and management development program (competency-based training); - Sales & Marketing Academy was implemented in 2019; - Employee Engagement survey in 2019; - Education & Training pillar (under TPM) was started in 2019 and on progress in implementation. - Supply Chain Academy was established in 2020; - Continue innovation and suggestion program.

	Working Conditions and Social Protection	Occupational Health & Safety	Human Resources Development
Progress of major activities in 2020	- Conducted HSE Committee & welfare committee meeting as plan; - Organized Code of conduct awareness training to all employee.	- Conducted survey risks associated with occupational exposures; - Conducted SHE survey (BBS, Ergonomic, Equipment safety, PPE) in 4 pilot areas with correction; - Maintained 2nd year BMI competition and awards. - Maintained and strengthened a counter measure for COVID-19 prevention.	- Industrial Academy, Sales & Marketing Academy, Supply Chain Academy were deployed with training roadmap. - Leadership & Management Development program was rolled out across organization; - Skill Matrix development (under ET pillar) is on progress; - Learning Management System (LMS) was implemented. - Employee Engagement Survey 2019 was conducted with improving engagement index from 61% to 67%. - The company Action Plan from Employee Engagement Survey (SMART Action) was defined.

Performance

Social Protection

Vinythai Values Its Employee Equalities

Vinythai values and respects all its employees equally. All employees, in turn, are expected to respect the distinctions of our corporate profile. The company provides equal opportunities and encourages diversity at every level of employment. All employees are required to respect one another and to promote the company's objectives collectively and collaboratively without regard to race, ethnicity, religion, national origin, gender, sexual orientation, disability, age, family status, or any other prejudicial basis. Unlawful discrimination is not tolerated.

Vinythai is also committed to respecting and supporting the human rights of its employees, the communities in which it operates, and its business partners. The company has included topics of child or forced and compulsory labor within its Code of Conduct, compulsory training, operational manuals, etc., to ensure that employees and suppliers are fully aware of these issues. The company prohibits any kind of child labor or forced labor, not hiring staff aged less than 18 years, and fully complies with labor laws. It takes seriously any indication that human rights are not properly protected within the workplace or that the company may be complicit in any human rights violation. Employees are expected to understand human rights issues that may be arise in their workplaces and are required to prevent any violation of such rights.

The company also applies its code of conduct to its suppliers. The code is posted on the Vinythai website and included in the terms & conditions stated on its purchase orders. Employees and suppliers who do not follow the code of conduct would be subject to disciplinary action.

Employment Data

Employment	2019		2020	
	Persons	%	Persons	%
Total employee by gender				
Male	401	78.02	410	78.10
Female	113	21.98	115	21.90
Total	514	100.00	525	100.00
Total employee by age				
Less than 30	64	12.45	58	11.05
Between 30 - 50	354	68.87	353	67.24
More than 50	96	18.68	114	21.71
Total employee by area				
Bangkok office	45	8.75	45	8.57
Head office	469	91.25	480	91.43
Employees' turnover				
Turnover rate	21	4.09	20	3.81
• By gender				
Male	14	2.72	14	2.67
Female	7	1.36	6	1.14
• By age				
Less than 30	9	1.75	6	1.14
Between 30 - 50	10	1.95	9	1.71
More than 50	2	0.39	5	0.95

Opened Dialogue with Employees

Furthermore, the company is strongly committed to the promotion and enhancement of labor relations in the workplace. This is achieved by collaboratively working with “the Welfare Committee” and representatives of employees in the format of working groups and committees. The company thereby cultivates an atmosphere of mutual trust and constructive relations between employees, their representatives and management. To ensure mutual understanding and favorable relations, employees are encouraged to have open dialogue among themselves, with their representatives and with management.

In 2020, from collaboratively working with the Welfare Committee, there are many new initiatives in improving employee welfare and benefits such as flexible benefit plan, staff uniform including safety working conditions. This improvement confirms the company commitment to the voice of employees.

Human Resource Development

Develop People — Create Coaching Culture and New Business Plan and Enhance Professional Skills

In 2020, we continued the **Leadership & Management Development Program** in response to the competency most matter to the organization success. We successfully encouraged our **Sales & Marketing Academy** to propose fruitfully Business Projects to cope with the business situation. **The Supply Chain Academy** as well as **Education & Training (ET)** were established to strengthen our people knowledge and skills. Last by not least, we initiated a new learning platform, **Learning Management System (LMS)** in SAP Success Factor to facilitate all training activities.

The Leader as Coach Workshop was conducted for all Team Leaders in manager levels in order to embed Coaching Culture. This program enhanced the mindset, tool-set and skill-set of coaching to lead, empower and motivate their team on daily basis. By this new model of leadership, the Managers could improve team performance, achieve results, overcome “stuck situations”, unleash talent, and express their greatness.

The 2nd year of Sales & Marketing Academy focused on Training Program for **Strategic Management and Business Financial Management**. Our Sales & Marketing Team were equipped with concepts and principles of strategy formulation while getting the overview of how organization made profit and loss. At the end of the program, they had the opportunity to apply their knowledge to initiate business projects that introduced practical new sales & marketing strategy.

We enhanced the competence of our Supply Chain Team by Competency Development Project. We identified their functional competency, conducted assessment and set up **Supply Chain Academy** to close the competency gap.

For **Industrial Academy**, we completed 3 groups of Boot Camp for newly hired employees as well as Industrial Training Curriculum composed of common training programs for both technical and non-technical functions. We also inaugurated **Technical Learning Center (TLC)** in December. The Center is equipped with learning materials and facilities to motivate learning of technical knowledge and skills.

Meanwhile, we started to implement **Education & Training (ET) Pillar of TPM** so as to ensure the skillful people in Technical and Non-technical functions. We defined the Skills List and Skills Level needed for each position in both Technical and Non-technical Departments. This will bring about Skills Matrix for Skills Evaluation and Fulfillment in the next step with ultimate outcome which is “skilled and competent people”.

Our new Learning Platform, **Learning Management System (LMS)** was introduced to manage delivery of all learning process and activities. The system apparently enhanced the effectiveness of learning because of the friendly-used learning process, ability to deliver e-learning and blended learning, tracking feature for performance development and anytime, anywhere learning.

Regarding Covid-19 pandemic, the average of training hours per employee in 2020 decreased to 36 hours/person/year comparing to 57 hours/person/year in 2019.

Employee Engagement

SMART Actions from Employee Engagement Survey

From Employee Engagement Survey in 2019 with Employee Engagement index at 67%, the company Management team has been working together to define the key Company Action Plan in order to make Vinythai an even better workplace — SMART Actions composing of 5 SMART Groups; SMART People, SMART Process, SMART Communication, SMART HR System, SMART Place.

The SMART Actions have been proceeded by appointed working groups under supervision of the management committee. This action plan and its progress have been communicated to all employees.

Working Conditions

Vinythai strives to maintain high operational standard in its Health, Safety, Security and Environment (HSSE). 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”, under the company strategy for driving and enhancing company’s capability in pursuit of safety, health and environment excellence in a consistent and sustainable manner.

Vinythai adheres to reduce and eliminate the health hazard as well as endorses quality of life improvement for employees through various activities and projects. In 2020, Vinythai won Silver Award of Zero Accident Campaign 2020 held by the Ministry of Labour with the record of over 3 million working-hours without lost time accident.

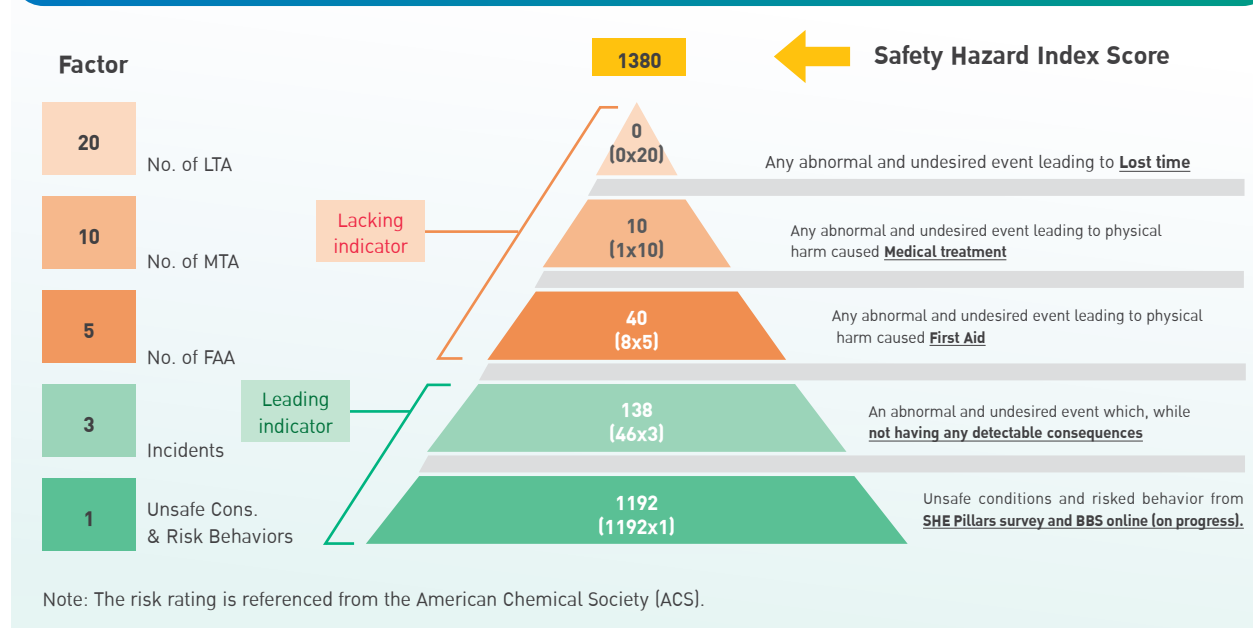
Accident / Incident Record

Safety Statistic	2019	2020	
		Male	Female
Injury Frequency Rate (IFR)			
• Employee	0	0	0
• Contractor	0	0	0
Injury Severity Rate (ISR)			
• Employee	0	0	0
• Contractor	0	0	0

Identifying Hidden Risks for Incident / Accident Prevention

In the workplace, there are potential dangers and hazardous conditions which can lead to personal injury, property damage or environmental impact. The company has initiated many activities to raise employees’ awareness in safety first, for example, hazard survey, leadership safety visit, TPM - SHE pillar survey, Hazard Hunting report. These activities enable us to prevent incidents in the workplace and achieve zero lost time accident.

Safety Hazard Index 2020



Hazard Elimination

The goal of hazard identification is to find and record possible hazards that may be present in our workplace. In 2020, all hazard reports from VNT employees and contractors were 5,349 reports and the best way to fix a hazard is to get rid of it altogether.

In 2020, VNT implemented many safety improvement programs in order to eliminate hazard such as installing handrail and kickplate for fall risk prevention, installing machine guarding and labelling. As of December, hazards were eliminated totally 4,157 reports while there were projects or initiatives being planned for eliminating hazards next year.



Maintaining Occupational Health and Industrial Hygiene

Vinythai has implemented the occupational health management system and programs for our employees in order to ensure that they shall be in good health without any risk from the work-related illness and diseases. Some highlights are:

- **The medical examination based on risk factors:**

The medical examination based on risk factors was deployed regarding the legal requirements and it has been expanded to be deployed in our business partners who are exposed to the risk in our premise.

- **Fit To Work Program:**

“Fit To Work” is the health medical assessment conducted to ensure that employees or business partners have no health issues before being assigned to do a specific job or task. Now “Fit To Work” practice is being implemented 100% for business partners whose work activity poses a risk to the health and safety i.e. mobile crane & forklift operation, confined space working and work at height.

The “Fit To Work” Parameters for Vinythai Business Partners

No.	Activities	Fit To Work screening during hiring phrase					Daily Fit To Work	
		X-Ray	EKG	FBS	Spirometry	Pregnancy check	Blood pressure	History taking
1	Confined space working	✓	✓	✓	✓	✓	✓	✓
2	High level working	✓	✓	✓	✓	✓	✓	✓
3	Crane & forklift driving	✓	✓	✓	✓	✓	✓	✓

Security Management

Vinythai strictly enforces security measures to safeguard our personnel, properties, information and reputation from security threats and safety. The security threat assessment and operating plan of security measures were reviewed so that threats and incident were reported timely. Networking among professionals remained unchanged in order to exchange information, knowledge and experience about security work. Security drills were organized for emergency response teams to assess and improve the plan.

New Drugs Test Methodology Deployment:

According to the white factory campaign, the company had conducted the drugs test for many years by using immunoassay method. However; this year, “Sweat patch” test was newly adopted because this method is:



“Sweat patch” test in D20C

- Longer testing time
- No urine collection necessary unless results are positive
- Improved accuracy
- Superior results
- No undetected substitution, dilution or adulteration
- Better than ever.

In 2020, Vinythai could achieve the target of drug test with good cooperation from all business partner companies. Moreover, the promotion against drug and other illegal substances abuse and against security violation were implemented.

Continuously Improving Process Safety Management (PSM) and Asset and Integrity Management

- Developing experts by enhancing capability of our personnel on the safety risk analysis and assessment.
- Arranging internal auditors for the process safety management audit. The internal audit was also carried out in accordance with IEAT's requirement. The result of the audit showed no major nonconformity in 2020.
- The process safety risk analysis has been reviewed regularly as planned including enhancing on the safety engineering standards of the company also.

Emergency Preparedness and Business Continuity Management (BCM)

In collaboration with neighboring companies, communities and local governmental agencies, Vinythai regularly reviewed, exercised and improved its emergency response plan and business continuity plan with the aim to mitigate impacts and losses as well as to safeguard personnel and the environment.

COVID-19 Prevention Measures

Vinythai has strictly implemented the preventive measures against Covid-19 to rest assured that our employees remain healthy and free from COVID-19 infections while our customers are confident on business continuity delivered by our products.

The key measures are:

- Triggering Business Continuity Plan (BCP)
- Preventive screens and measures i.e. checking temperature, wearing face mask, cleaning hands with alcohol gel and keeping distance
- Frequent cleaning and disinfection
- Refraining from travelling to high-risk provinces for both business trip and personal trip
- Work-from-home
- Managing the stockpile of necessary medical supplies
- Providing masks and alcohol gel to employees



Thermoscan camera at the entrance



Stockpile management

The company is continually maintaining the prevention measure in order to ensure that all employees and business partners are safe and there is no infected case found in the company boundary.

FAIR OPERATION PRACTICES

Plan and Progress

	Compliance with Antitrust and Related Laws	Social Responsibility in the Supply Chain
Target 2019 - 2021	Reinforcement of antitrust law and code of conduct training: - Train employees in the fundamentals of antitrust laws and fair trade practices; - Train all management and staff in code of conduct and anti-corruption policy annually to maintain awareness.	Promote social responsibility in the supply chain: - Transport safety, energy saving, CO2 reduction; - Supplier management; complaints channel, waste management, and using goods and services that are environmentally-friendly; - Supplier survey and feedback.
Progress of major activities in 2020	- Provided refresher training of fair trade competition and guidelines in relation to compliance with the anti-trust law to all employees; - Provided code of conduct and anti-corruption policy training to all management and staff and continued to promote internally to raise their awareness.	- Maintained transporter awards, training, truck inspection, rush hour road program; - Applied on-line fatigue and distraction detectors to PVC bulk trucks, Caustic Soda trucks, ECH ISO tank to avoid driver drowsiness and distraction while driving; - Received feedback via Supplier management, complaints channel; - Partially switched Salt Transport from Truck mode to Train mode in order to reduce number of trucks on the public road.

Performance

Compliance with Antitrust and Related Laws

The performance is described in Corporate Governance Section on page 76.

Social Responsibility in the Supply Chain

Significant social responsibility in the supply chain includes safety, energy and transportation saving; supplier management; supplier complaints channel; waste management; and procurement of goods and services which are environmentally-friendly. These matters are managed as follows;

Transport Safety

Vinythai does not only take care of the immediate surroundings of its plant but is aware that its transportation operations may affect routes that locals use. In 2020 with Covid-19 pandemic, Vinythai requested and received good collaboration from Logistics Service Partners (LSP) complying to social distancing rules and other measures to avoid infection.

In 2020 Vinythai maintained and developed its transport safety programs as below;

1. Conducted meetings between the company and transporters;
2. Organized training courses to raise driver awareness and ensure safety;
3. Inspected transport vehicles regularly;
4. Evaluated logistics service providers and made awards;
5. Avoided transporting during rush hours;
6. Provided dangerous goods safety awareness training for relevant parties;

7. Ensured the safe nomination of bulk vessels and compliance with Chemical Distribution Institute (CDI) procedures.
8. Limited Truck Service Year in order to prevent accident caused by truck conditions.
9. Installed Fatigue and Distraction System into all trucks who carried out Vinythai's products, more than 150 trucks were installed the Fatigue and Distraction Detection System.
10. Partially switched Salt Transport from Truck mode to Train mode to reduce Salt Truck on public road.
11. Implemented Logistics 4.0 for PVC delivery for online tracking delivery status and immediate satisfaction evaluation by customer after delivery.
12. Complied social distancing principle to all LSP activities such as online safety training, MS Teams meeting, mask wearing, hand cleaning, Tor.8 and work from home.

In addition, the company will further expand Logistics 4.0 to Caustic Soda truck within 2021 and organize online training sessions for its LSP, covering such areas as occupational health & safety, actions to be taken in emergency situations, safe product loading & unloading, and transport & delivery to customers.

Target and Achievement Percentage for Activities in 2018 - 2020

Transport Service Key Performance Indicator	2018	2019	2020
• Accident - Fatal (case)	0	0	0
• Transporter award (> 85% score criteria for zero accident during delivery, promoting defensive driving, and responsible care commitment)	≥ 85%	≥ 85%	≥ 85%

Supplier Management and Assessment

Vinythai's ongoing assessment of its suppliers begins with supplier selection and continues during service and on completion. The main evaluation criteria are that suppliers meet the company's requirements for safety, labor, and welfare, including employment of locals, environment protection, and sustainable society. Chosen suppliers are appraised of the company's Supplier's Code of Conduct and advised that they will be subject to scrutiny accordingly. To ensure effective supplier management and accurate assessment, the company performs regular checks through visits and other means of evaluation.

Supplier Assessment

Procurement CSR	%	Additional description
Proportion of spending on local suppliers at significant locations of operation	>40%	Considering vendors who have head office/ branch office in Rayong area
Percentage of new suppliers screened using environmental criteria	100	In-service supplier evaluation criteria
Percentage of suppliers screened using labor, child labor, forced or compulsory labor practices	100	For suppliers working inside Vinythai
Percentage of new suppliers screened using human rights criteria	100	Compliance with Thai law is specified as a criteria in the contract
Percentage of new suppliers screened using impact on society criteria	100	For service agreement suppliers
Number of suppliers with ISO 14001 certification	>40%	Considering transporters, vessel fabricators, chemical suppliers, original equipment manufacturers e.g. electrical, instrumentation, mechanical, etc.

Supplier Complaints Channel

The company informed its suppliers about the findings of its communication and complaint channel via its website, at an initial meeting, and at an annual meeting. The rights of any person who communicates such concerns are fully protected. The concerned representative, the Audit Committee, reports the results of any investigations once completed.

• Procurement of Goods and Services that are Environmentally-friendly

- 82% of the company's procurement for raw materials is accounted for 19% Ethylene from PTT Global Chemical PLC. (DJSI), 15% Glycerine Suppliers (RSPO or ISCC) and 48% Salt from Pimai Salt Co., Ltd. (2020 Green Mining Award). All Key suppliers have environment certification/label status.
- 40% of goods and services are supplied by suppliers who have environment certification/label status.



Pimai Company's 2020 Green Mining Award



PTT Global Chemical PLC's Sustainable Development



CONSUMERS / CUSTOMERS

Plan and Progress

	Product Safety	Customer Satisfaction
Target 2019 - 2021	Control product related risk: - Continue product stewardship program; - Manage to "Product Safety Management Process" and Health Care Risk Management; - Implement "Product Stewardship Management system".	- Continue customer visits and customer relationship management program; spread product awareness; - Make improvements indicated by customer satisfaction survey; - Continue PVC Customer Satisfaction Task Force.
Progress of major activities in 2020	- Tracked and evaluated regulatory compliance of products; - Updated and Monitored SDS distribution for commercial products; - Systematically identified and managed of substances of very high concern; - Training in product stewardship and regulatory affairs have been provided for several functions within the Company, such for sales and marketing, customer service, logistics, purchasing, transportation, dangerous goods, and others. - As Epichlorohydrin is a dangerous goods, the safety self-assessment and safety review programs have been maintained. The safety self-assessment aims at evaluating the unloading and storage safety of new customers while the safety review is a voluntary program with on-site visit to customers by our Technical Marketing team for reviewing to what extent a customer meets our safety guidance.	- Customer visited and communicated product awareness as plan; - Finished customer satisfaction survey in 2019 & set the improvement actions; - Continued "PVC Customer Satisfaction Task Force" to respond to customer requests, maintained customer trust and developed new product grades to meet customer needs; - CRM activities — including Customer Seminar and Target group technical seminar related to revised TIS-17/2561, to strengthen relationship and educate the requirement of revised TIS-17/2561; - In response to specific customers of Bio-based Epichlorohydrin, we are working on a sustainability certification, a comparative life cycle analysis, and a project to set up a stock point nearby some key accounts. - Retained the Gold Ecovadis rating that is valued and highly recognized by customers as an international indication of corporate social responsibility and sustainable procurement.



PERFORMANCE

PRODUCT SAFETY

Company's Product Stewardship

Vinythai and its subsidiary manages risks ensuring safety across the full product lifecycles. Risks include the possibility of injury or health impact to third parties or damage to their property arising from the use of products resulting from inappropriate use in a customer's site or application for which the products are not designed.

Risk management is particularly key for products used in healthcare, food, and feed applications, therefore, the company characterizes and manages risks related to the uses and applications of its products and prioritizes mitigation actions relating to potential inappropriate use. Stewardship programs give adequate information and technical assistance to customers, ensuring a good understanding of safe use and handling.

Product Stewardship Management System

Vinythai's Product Stewardship Management System considers new regulatory requirements and additional potential risk causes. The process ensures that health, safety, environment, regulatory, legal, supply chain, and commercial risks associated with a product's manufacture, distribution, and sale are identified, prioritized, reviewed, and managed.

The product stewardship management system used includes the following requirements:

- regulatory compliance management for all products and applications so as to comply with local requirements while ensuring worldwide consistency;
- product safety management (composition and hazard information, intended uses and exposure, risk assessment, value chain communication, management of change);
- requirements to establish improvement plans to continuously improve the management system.

Communication and Labeling of Hazardous Substances:

- Approach for substances of very high concern (SVHC) among products and raw materials;

- Assess the adequacy of laws, regulations and standards regarding health and avoid the use of harmful chemicals in product development. If such chemicals must be included, products should be clearly labeled.
- Assess and disclose information regarding human health risks before the introduction of new materials, technology or production methods;
- Convey vital safety information to consumers using symbols;
- Provide consumers with instructions regarding proper use of products and warnings about the risks that use may entail.

Safety Data Sheets (SDS) Authoring and Distribution

The company sends the Safety Data Sheet of all products and distributed them to all customers in different languages along with the first delivery. The sheets are created in compliance with the relevant laws, regulations, and international standards such as the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) regarding chemical product classification and labeling. Vinythai currently places products on the markets and provides safety data sheets (SDS) in 33 languages and specific SDS for 55 countries.

Compliance with REACH and Other Regulations

The company has updated the Global Harmonized System classification of its products based on data and knowhow collated in the context of EU REACH. The company continues to adapt to emerging new product regulations in other countries, in particular in terms of the emergence of REACH-like regulations in non-EU countries, notably including Korea. In 2020, there's pre-registered the substance of Epichlorohydrin for Turkish REACH.

Customer Satisfaction

In pursuit of its vision — **"Growing with You — as a Trusted and Innovative Partner"** — Vinythai is determined to win customer confidence by providing first-rate products and services at reasonable prices. Similarly, the company is committed to

continually developing products and services that add value to the customer. Stable, on-time product delivery and regular site visits are all part of the package. The company also endeavors to promptly respond to any complaints and feedback from customers and, as stated in its Code of Conduct, always respects the privacy of customer data.

In living up to these commitments, the company fully discloses data and information about its products and services and provides complementary consultation services, including offering suggestions for the most efficient and effective product usage. Vinythai further closely collaborates with customers to find ways to alleviate any potential negative impact and continually develops products geared to sustainable and stable business. Customer relations activities are regularly organized to maintain long-term relationships and keep a constant gauge on customer satisfaction.

In 2018, the company set up a “PVC Customer Satisfaction Task Force” to respond promptly and appropriately to the needs and voices of customers and develop new product grades consistent with constantly evolving demand. In 2020, the development projects have been identified and prioritized. The Task Force had been working closely with the customers and could complete the mission within a year; then, the special team was dissolved.

Customer Satisfaction Survey

In monitoring and measuring customer satisfaction with respect to its Caustic Soda, PVC, ECH and other products, the company conducts full survey domestic and international customers in collaboration with independent agency every 3 years. Feedback from the surveys is used to develop marketing plans tailored to individual customers and market trends. Implementation of the plans further strengthens the company's business dynamic going forward.

Customer visits, both within and outside Thailand, in 2019 - 2020 indicated consistently high levels of satisfaction with 91%. All issues raised have been resolved and Vinythai remains committed to ever-higher levels of customer satisfaction in every area in the coming year and beyond.

Similar surveys conducted inside the company aim to further enhance customer satisfaction. Essentially, the internal survey

scrutinizes laboratory production, testing services, maintenance & engineering services, production, warehousing, and other areas, with a view to streamlining processes and enhancing efficiency.

Management Systems

Every year, department heads set the management objectives, targets and actions to achieve the targets to ensure the effectiveness implementation of the management system and compliance to product license requirement, the internal auditing activity is in place. Performance is monitored and progress is periodically reported to senior management and communicated to staff via intranet and on board.

Management Standards

The company has gained certifications as follows:

- ISO 9001:2015 certification, assessed by Bureau Veritas Certification Thailand, since 1997
- ISO 14001:2015 certification, assessed by Bureau Veritas Certification Thailand, since 1999
- OHSAS 18001:2007 certification, assessed by Bureau Veritas Certification Thailand, since 2001
- ISO/IEC 17025:2017 Laboratory accreditation, certified by the Thai Industrial Standards Institute (TISI), since 2004
- GMP certification & HACCP certification of caustic soda, assessed by Bureau Veritas Certification Thailand, since 2014
- Roundtable on Sustainable Biomaterials (RSB) certification, assessed by SCS Global Services Company, USA, since 2015
- Carbon Footprint Label issued by the Thailand Greenhouse Gas Management Organization (TGO) for carbon dioxide emission reduction during production of PVC suspension, PVC emulsion, sodium hydroxide, and intermediate products, namely, vinyl chloride monomer, ethylene dichloride and epichlorohydrin, since 2011
- Green Building Council of Australia (GBCA) — Green Star Credit Best Practice Guidelines PVC, as assessed by Lloyd's Register Quality Assurance Limited, since 2014

Product Licenses

The company has gained the following recognitions and certifications:

- Thai Industrial Standards Institute license to display a Standard Grade stamp on PVC piping resin
- Thai Industrial Standards Institute license to display a Quality Level 1 stamp on 32% & 50% sodium hydroxide
- Food and Drug Administration (FDA), Ministry of Public Health, Thailand, license to display an FDA stamp on 32% & 50% sodium hydroxide food additive
- The Central Islamic Committee of Thailand license to display a Halal stamp on 32% & 50% sodium hydroxide food additive
- Thai Kashrut Services Ltd., Jewish Community of Thailand, certification to display a Kosher stamp on caustic soda and epichlorohydrin product
- Thailand Greenhouse Gas Management Organization (TGO) license to display a carbon reduction label for Hydrogen

In 2020, Vinythai successfully re-certified the Environment Management System (ISO 14001:2015), passed a migration assessment in Occupational Health and Safety Management System from OHSAS 18001:2007 to ISO 45001:2018, and passed the Roundtable on Sustainable Palm Oil (RSPO) certification assessment for epichlorohydrin product.

EcoVadis Recognition Level

In 2020, EcoVadis, the world's most trusted provider of business sustainability ratings, has rated Vinythai's sustainability performance as the gold level for 3 consecutive years (2018 - 2020). Vinythai gains the score 72 from 100, a percentile rank of 98. The expert measures 7 management indicators: Policies, Endorsements, Measures, Certifications, Coverage, Reporting and 360° Watch Findings, across 21 sustainability criteria in 4 themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement. Advanced Biochemical (Thailand) Co., Ltd., Vinythai's subsidiary, was also rated as the gold level covering the period October 2019 - October 2020.

The good result of assessment shows business partners with Vinythai's commitment to sustainable development which have been existed in the company for many years.





COMMUNITY, GOVERNMENTAL AGENCIES AND NON-PROFIT ORGANIZATION

Plan and Progress

	Continue to engage with communities and promote positive perceptions among locals	Continue to engage with academic institutes, non-profit organizations and government offices
Target 2019 - 2021	Environment - Continually extend coral cultivation project 2 areas each year; - Continually organize Open House Day to let the locals learn the company's environmental management and social initiatives through presentation, plant visit and coral cultivation activity; - Continually collaborate with the Industrial Estate Authority of Thailand in organizing International Coastal Clean-up. Health and Safety - Continually support project/activities that enable locals stay healthy such as organization of annual Noenphra-Vinythai Super Minimarathon; - Annually organize emergency drill with community. Youth Education - Enhance youth knowledge with learning activities outside the classroom; - Provide scholarships for local students. Cultural and Traditional Support - Continually support traditional activities and development initiatives for strengthening relations with local communities. Occupational Development and Community Well-being - Leverage the quality of community enterprise products to be on par with the Thai government's OTOP standard; - Continually extend the support of one community enterprise every year and seek for marketing opportunities for community enterprises; - Continually support activities which are relevant to community's well-being.	- Participate in government activities and support information about legal and regulatory drafting processes and matters relating to the company's products and businesses; - Share information about PVC and petrochemical production with universities and concerned governmental offices; - Being active members of member associations; - Keep regular communication with major organizations.

	Continue to engage with communities and promote positive perceptions among locals	Continue to engage with academic institutes, non-profit organizations and government offices
Progress of major activities in 2020	Environment - The inauguration of coral cultivation project in Ko Mak, Trat province was successful while the environmental group in Ko Kai, Chumphon province was interested participate in the project. - The open house event was postponed according to Covid-19 situation. 120 employees and their family members participated in cleaning up the beach with compliance to preventive measures against Covid-19. Health and Safety - Noenphra-Vinythai Super Minimarathon 2020 was successful with around 4,000 participants nationwide complying with strict preventive measures of Covid-19. - Donations of PVC disposable protective coveralls, sodium hypochlorite, PVC partitions, and foot-operated hand sanitizer dispensers to respective authorities and communities for Covid-19 prevention; - Donations of rice to temples for giving to people in need during Covid-19; - Emergency drill was conducted for Soi Prapa community. Youth Education - Scholarships were provided to local school students and local youths from over 30 communities. - Exhibition on coral conservation and coral cultivation activity were conducted regularly. Cultural and Traditional Support - Regularly visit and participate in community events and activities such as Children's Day, Boon Kawlarn, Annual Robe Presentation Ceremony, His Majesty the King's Birthday and Her Majesty the Queen's Birthday. Occupational Development and Community Well-being - Training and marketing channels provided for Mapkha-Mapnai community enterprise members; - Participate in Thammasat Model project in leveraging Taguan-Awpradu community enterprise's marketing knowledge and strategies.	- Support information for drafting laws and regulations, trade negotiations, safety and environment by various government agencies; - Join the draft of Thai Industrial Standard for final products of PVC and bio-based epichlorohydrin; - Join activities that related to our businesses organized by member NGOs; - Invite representatives from government offices and NGOs to be a speaker for our activities; - Participate in public hearing of Petrochemical Industry development phase 4 organized by PTIT; - Donate our products and related finished products to government officers to fight COVID-19 pandemic; - Submit required report as scheduled; - Organize meeting with related government offices to discuss about development of related regulations; - Support information for product communications from government agencies;

Performance

Vinythai's policy regarding its role with respect to community, society and environment, as defined in its Corporate Governance manual, lays the ground-rules for the company's sustainable operation and contribution to the welfare of society.

The company conducts itself as a good corporate citizen and operates its business in accordance with its clearly defined duties and responsibilities to society and environment which are:

- Creating business practices and implementing activities that are responsible and beneficial to society, both in the short and long term, and focusing on business transactions with trade partners who share common intentions regarding social and environmental responsibility.
- Supporting learning and skills development among youths and the public and promoting awareness of natural resource and environment preservation in communities and Thai society.
- Providing correct information, creating understanding, and listening to problems and information about impacts on surrounding communities with a view to implementing appropriate solutions, all based on the principle of co-existence between the company's

plants and communities for mutual benefit and without conflict.

- Supporting beneficial activities, especially in areas where the company's businesses are located, taking into consideration suitability and providing sustainable benefits to society and communities.
- Supporting public activities and national development policy for the country's benefit as a whole.
- Considering how to utilize natural resources with minimum impact on society, the environment and quality of life.

The aim of mutual benefit and harmony between the company's industrial activities and society is further enhanced as follows:

Environmental Conservation

Vinythai has engaged in a wide range of environmental conservation activities, notably:

- 120 Vinythai members and their families in collaboration with Map Ta Phut Industrial Estate Authority, industrial enterprises and communities, enthusiastically participated in the 18th International Coastal Cleanup along Saeng Chan Beach.
- The coral cultivation project was newly established in Ko Mak in Trat while the environmental conservation team of Ko Kai in Chumphon agreed to join the project. In 2020, there were 6,324 people participating in coral cultivation activities.

Health and Safety

In 2020, the company implemented the following projects notably;

- In collaboration with Noenphra Municipality and communities, Vinythai organized the 11th Noenphra-Vinythai Super Minimarathon for the HRH Princess Soamsawali Cups. The event involved over 4,000 participants with strictly following the preventive measures against Covid-19. The ongoing project is acclaimed for encouraging the public to exercise and for promoting the tourism potential of Sangchan-Suchada Beach.
- Donations of 1,000 PVC protective coveralls, more than 20 kiloliters of sodium hypochlorite, 100 sets of PVC partitions, and 4 foot-operated hand sanitizer dispensers were given to respective authorities and communities to help fight Covid-19. Moreover, rice was donated to local temples for distributing to people in need during the spread of Covid-19.

- In collaboration with Map Ta Phut Industrial Estate and the Office of Disaster Prevention and Mitigation, Map Ta Phut Municipality, the company staged a rehearsal of the Community Emergency Preparedness Plan for Soi Prapa community. The objective of this project is to ensure that locals and teachers and students know how to manage crises when they occur and can minimize the risk of loss of life and/or impairment of natural resources.

Educational Support for Youths

- Scholarships were presented to the selected children in more than 30 communities and local schools.
- There were 5,276 students from country-wide joining coral cultivation activity.

Activities Supporting Religion, Traditions and Important National Days

In 2020, the company cooperated with surrounding communities to fund and organize the annual ceremonial presentation of robes at Mab Chalut temple. Other examples include renovation of a mosque in a Muslim community in Map Ta Phut. In addition, company staff regularly volunteer for worthy causes undertaken as part of significant national celebrations such as His Majesty the King's Birthday and Her Majesty Queen Sirikit The Queen Mother's Birthday and Children's day.

Occupational Development and Community Well-Being

Vinythai staff regularly visit communities around Map Ta Phut to spread awareness and understanding of the company's operations and synchronize areas of mutual interest. The company listens and responds to suggestions that help resolve issues and generate income in the communities. Vinythai joined the project named "Big Brothers and Sisters Bring Communities to Social Enterprises" initiated by National Research Council of Thailand. The project is aimed not only to leverage the quality standard and competitiveness of local products but also to encourage community enterprises to provide some benefits for developing their community. As an active member of the Community Partnership Association, Vinythai together with other members support an occupational group in Taguan-Awpradu community to join an initiative of the Association's to leverage community enterprise in accordance with the effective Thammasat Model.

A photograph of four tall industrial distillation columns with multiple levels of scaffolding and ladders, set against a clear blue sky. The columns are metallic and have various pipes and valves attached to them.

MANAGEMENT DISCUSSION & ANALYSIS (MD&A) FOR THE YEAR 2020

The company wishes to present the Management Discussion & Analysis (MD&A) on the operating and financial status for the year 2020. The MD&A would enable the investors to better understand the company and its subsidiary's 2020 reviewed financial statements.

An Analysis of Performance*

Analysis of Income

The company and its subsidiary recorded the total revenues of 17,074 MTHB of which 16,907 MTHB earned from sales revenues. Total sales revenues decreased by 1,699 MTHB or 9.1% comparing to the year 2019. The revenues continued to be weighed down by impacts and sluggish economic recovery from ongoing COVID-19 pandemic which can be attributed to a substantial price decrease and a decline in sales volume of the products, especially in Caustic Soda and Epichlorohydrin due to weak global demand and uncertain global economic outlook. There was no significant change in the share of domestic and export sales compared to the prior year.

**Note Please find further information in the consolidated financial statements.*

Sales Revenues	2020		2019	
	MTHB	%	MTHB	%
Domestic Sales				
1. PVC Resins	5,841	34.5	5,385	28.9
2. Caustic Soda	1,996	11.8	2,753	14.8
3. VCM	1,333	7.9	1,450	7.8
4. ECH	791	4.7	888	4.8
5. Others	68	0.4	126	0.7
Total Domestic Sales	10,029	59.3	10,602	57.0
Export Sales				
1. PVC Resins	3,457	20.4	3,662	19.7
2. Caustic Soda	19	0.1	-	-
3. VCM	-	-	-	-
4. ECH	3,401	20.1	4,342	23.3
Total Export Sales	6,877	40.7	8,003	43.0
Domestic and Export Sales				
1. PVC Resins	9,299	55.0	9,046	48.6
2. Caustic Soda	2,015	11.9	2,753	14.8
3. VCM	1,333	7.9	1,450	7.8
4. ECH	4,192	24.8	5,230	28.1
5. Others	68	0.4	126	0.7
Total Domestic and Export Sales	16,907	100.0	18,605	100.0

Analysis of Cost and Expenses

1. In 2020, Cost of sales was 13,316 MTHB, decreased by 870 MTHB or 6.1% comparing to the year 2019 which was consistent with the lower sales volume and the drastic decrease of Ethylene from ample supply and lower crude oil price.
2. In 2020, Distribution costs and Administrative Expenses was 1,234 MTHB, decreased by 164 MTHB or 11.7% comparing to 2019 mainly from lower transportation costs, which led by decrease of export sales volume, plus lower loss from assets disposal.
3. The company and its subsidiary recorded income tax expense of 256 MTHB which mainly from reversal of deferred tax assets due to utilization of unused tax losses brought forward from previous year.

Summary of Performance

For the year 2020, the company and its subsidiary recorded gross profit of 3,590 MTHB, decreased by 828 MTHB or 18.7% comparing to 2019. This decrease was mainly attributable to the significant drop in Caustic Soda price and Epichlorohydrin spread margin plus the impact of lower sales volume from the COVID-19 pandemic.

The company and its subsidiary recorded net profit of 2,173 MTHB, dropped by 40.2 % or 1,463 MTHB comparing to the previous year, this was due mainly to unpleasant gross profit as mentioned above, plus income tax expense from reversal of deferred tax assets.

**Note Please find further information in the consolidated financial statements.*

An Analysis of Financial Status *

Analysis of Assets

As at 31 December 2020, the company and its subsidiary had 26,401 MTHB of the total assets, which was increased 2,843 MTHB or 12% from prior year.

Details of the major changes were following:

1. As at 31 December 2020, the company and its subsidiary had net cash and cash equivalents amounting to 7,759 MTHB, decreasing 2,751 MTHB or 26.2% comparing to 10,510 MTHB at the end of 2019 due to classification of short-term investment to be "Other current financial asset" amounting 4,350 MTHB. (see further information in analysis of cash flow)
2. The balance of trade and other current receivables at the end of 2020 was 2,641 MTHB, increasing by 266 MTHB comparing to 2,376 MTHB at the end of 2019. Most of the receivables were not yet due. For the corresponding bad debt, the company and its subsidiary had already set sufficient provision.
3. The company and its subsidiary had net inventories at the end of 2020 amounting to 1,136 MTHB, aligned with the value as of the year 2019.
4. At the end of 2020, the company and its subsidiary had net property, plant and equipment, right-of-use assets and intangible assets amount of 9,758 MTHB or increasing by 1,252 MTHB comparing to 8,505 MTHB at the end of 2019, mainly from recognition of right-of-use assets from TFRS16-Leases adoption in 2020 and normal depreciation offset with asset acquisitions during the year.
5. The balance of deferred tax assets at the end of 2020 was 275 MTHB, decreasing by 235 MTHB compared to 511 MTHB in the prior year due to the utilization of tax losses carry forward.

Analysis of Liabilities

The company and its subsidiary had total liabilities at the end of 2020 amount of 4,045 MTHB which increased by 2,327 MTHB or 135% compared to the previous year. The main factors for the increase in the liabilities attributable to lease liabilities resulting from TFRS16-Leases adoption.

Analysis of Shareholders' Equity

As at 31 December 2020, the shareholders' equity was 22,356 MTHB which increased by 516 MTHB or 2.4% comparing to 21,840 MTHB at the end of 2019. The change was due to recording of net profit of 2020, partially offset with dividend paid to its shareholders.

Analysis of Cash Flow

As of 31 December 2020, the company and its subsidiary's Statement of cash flows presented 7,759 MTHB of cash and cash equivalents. The sources and uses of funds were following:

1. In 2020, the company and its subsidiary generated positive cash flow from operating activities of 4,050 MTHB which decreased by 822 MTHB or 17% comparing to 2019. This was due mainly to a decrease in operating profit this year.
2. In 2020, the net cash flow used in investing activities was 4,933 MTHB, increased by 4,572 MTHB comparing to its amount of 362 MTHB in 2019 mainly due to investment in time deposit and bill of exchange.
3. In 2020, the net cash flow used in financing activities amounting to 1,866 MTHB which was the dividends paid to shareholders and payment of lease liabilities.

**Note Please find further information in the consolidated financial statements.*

Net cash flow from operating activities	4,050	MTHB
Net cash flow used in investing activities	(4,933)	MTHB
Net cash flows used in financing activities	(1,866)	MTHB
Effect of exchange rate changes on cash and cash equivalents	(2)	MTHB
Net increase in cash and cash equivalents	(2,751)	MTHB

Financial Ratios

	2020	2019
Gross profit margin	21.2%	23.7%
Net profit margin	12.7%	19.3%
Debt to Equity ratio	0.18	0.08
Earnings per share	1.83	3.07
ROA	9.9%	14.4%
ROE	9.8%	17.5%

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

Yours faithfully,



(Mr. Hiroaki Sano)
Managing Director

*Note Please find further information in the consolidated financial statements.

SUMMARY OF SIGNIFICANT FINANCIAL RATIO

		2020 [#]	2019 [#]	2018 [#]
Liquidity Ratios				
Current Ratios	times	8.13	10.35	7.15
Acid Test Ratios	times	5.28	9.38	6.16
Cash Flow Liquidity Ratios	times	2.43	3.23	2.27
Account Receivable Turnover Ratios	times	6.80	7.53	7.65
Collection Period	days	54	48	48
Inventory Turnover Ratios	times	11.76	11.34	12.58
Inventory Days	days	31	32	29
Account Payable Turnover Ratios	times	9.83	12.11	10.85
Payment Period	days	37	30	34
Cash Cycle	days	48	51	43
Profitability Ratios				
Gross Profit Margin	%	21.23	23.75	21.54
Net Profit Margin	%	12.72	19.30	15.17
Return on Average Equity	%	9.83	17.47	16.26
Efficiency Ratios				
Return on Average Assets	%	9.93	14.36	15.77
Return on Average Fixed Assets	%	44.89	55.15	44.59
Total Assets Turnover	times	0.68	0.82	0.96
Financial Policy Ratios				
Debt to Equity Ratios	times	0.18	0.08	0.09
Cash Coverage Ratios	times	1.50	2.10	3.07
Cash Coverage Ratios (Cash Basis)	times	2.44	3.17	3.71
Dividend Payout	%	49.10	45.64	50.36
Information per Share				
Book Value per Share	Baht/Share	18.86	18.43	16.68
Net Earning per Share	Baht/Share	1.83	3.07	2.58
Dividend per Share	Baht/Share	0.90	1.40	1.30
Growth Rate				
Total Assets Growth	%	12.07	9.08	8.64
Total Liabilities Growth	%	135.41	-6.00	-9.10
Sales Growth	%	-9.13	-6.72	3.45
Expenditure Growth	%	-11.20	10.91	-16.18
Net Profit Growth	%	-40.24	18.83	36.07

Remarks:

[#] Information in 2018, 2019 and 2020 extracted from consolidated financial statements.

^{**} The Board of Directors' Meeting resolved to propose the Annual Ordinary General Meeting of Shareholders to consider and approve in April 2021.



GENERAL INFORMATION AND OTHER INFORMATION

GENERAL INFORMATION

Ordinary Share Registrar :

Thailand Securities Depository Co., Ltd.
93 Ratchadaphisek Road, Dindaeng District,
Bangkok 10400, Thailand
Tel: +66 (0) 2009 9000
Fax: +66 (0) 2009 9991
TSD CALL CENTER: +66 (0) 2009 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: +66 (0) 2677 2000
Fax: +66 (0) 2677 2222

Legal Counsel

: Tilleke & Gibbins International Ltd.
Supalai Grand Tower, 26th Floor
1011 Rama 3 Road, Chongnonsi Sub-District, Yannawa District,
Bangkok 10120, Thailand
Tel: +66 (0) 2056 5555
Fax: +66 (0) 2056 5678

: Chandler MHM Limited
36th Floor, 98 Sathorn Square Office Tower
North Sathorn Road, Silom Sub-District, Bangrak District,
Bangkok 10500, Thailand
Tel : +66 (0) 2009 5000
Fax : +66 (0) 2009 5080

Other Important Information

-none-



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 1st Debtor, Apex Properties Ltd. as the 2nd Debtor, Apex Plastic Ltd. as the 3rd Debtor, Gamma Products Ltd. as the 4th Debtor, Mr. Anuay Teeramethee as the 5th Debtor, Mrs. Waraphorn Teeramethee as the 6th Debtor and Mr. Sathaporn Pothong as the 7th 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 25th Creditor (an unsecured creditor) and as 26th creditor (a secured creditor) filed the application claiming for repayment of debts with the receiver.

Vinythai as the 25th creditor, an unsecured creditor, claimed for repayment of debts in accordance with the Thonburi Civil Court’s judgment 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 25th Creditor has been final at the amount of 689,499,478.50 Baht

Vinythai as the 26th Creditor, the secured creditor, claimed for repayment of debts in accordance with the Talingchan Provincial Court’s judgment, 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 4th Debtor and resolved not to accept the proposal for composition of debts of the 1st Debtor, the 2nd Debtor, the 5th Debtor and the 6th Debtor. The case is in the process of the receiver to report the case before the court ordering the 1st Debtor, the 2nd Debtor, the 5th Debtor and the 6th Debtor to go bankrupt.

On 12 March 2020, the Court ordered the 1st, 2nd, and 6th debtors to bankrupt, while Mr. Amnuay Thiramethee, the 5th debtor, was in the process of managing the inheritance under the court’s order on 29 October 2018.

On 10 November 2020, the Court issued an order agreeing to the pre-bankruptcy debt composition of Gamma Products Co., Ltd., Debtor No. 4.

At present, it is in the process of collecting the debtor’s assets for sale by auction to bring money to repay debts to all creditors.

Secondary Market

-None-



CORPORATE GOVERNANCE





CORPORATE GOVERNANCE POLICY

POLICY AND PRACTICE

The Board of Directors realizes the importance of good corporate governance principles including Code of Conduct and lays strong emphasis on implementation and practices, believing that implanting good governance systems increases the company's competitiveness and ensures sustained business growth while enhancing confidence in the company among its shareholders, investors and other stakeholders. The Board of Directors, the company's management and employees rigorously adhere to good corporate governance principles, Code of Conduct and strictly comply with applicable laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). With an aim to continually improve corporate governance practices, the company's management actively takes into account the recommendations of the SEC, the SET, and the Thai Institute of Directors Association (IOD). The company creates and maintains awareness of good corporate governance practices and business Conduct among its management and staff at all levels.

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

(1) The Board of Directors observes the international guidelines and consistently improves the company's corporate governance practices in accordance with these international standards in matters relating to consideration of the rights of shareholders, the equitable treatment of shareholders, the responsibilities to stakeholders, the disclosure of information and transparency, and the responsibilities of the Board of Directors.

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

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

CODE OF CONDUCT

The company has determined "Integrity" as one of its shared values.

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.



The company is committed to the high standards of legal compliance and business ethics. Our Code of Conduct is applied to all directors, management, and employees of the company and its subsidiaries. Third parties acting on behalf of the company are also expected to act within the framework of this Code.

The Code of Conduct of the company comprises of the following topics:

1. Business Ethics Policy
2. Conflicts of Interest Policy
3. Workplace Health and Safety Policy
4. Environment Policy
5. Company and Third-Party Assets and Confidential Information Policy
6. Gifts, Entertainment and Anti-Corruption Policy
7. Customer Relations and Product Quality Policy
8. Respect for People Policy
9. Charitable Activities & Company Philanthropy Policy
10. Fair Competition and Anti-Trust Policy
11. Reports and Records Policy
12. Insider Trading Policy
13. International Trade Controls Policy

Policy Administrative Procedures:

- Compliance and Enforcement
- Speak up and No Retaliation
- Training and Awareness
- Compliance Organization
- Designated Compliance Function

(More information of the Code of Conduct is available at website of the company: <http://www.vinythai.co.th/media/www/index/38124161522392257.pdf>)

Additional Speak Up Channels Provided by the company

Since February 2019, the AGC Global Helpline and AGC Thai Helpline were announced and implemented within the company, in addition to the existing Internal Thai Helpline. The employees were encouraged to report to AGC Global Helpline, <http://whistle.jp/AGC/> in the case of issues affecting AGC Group including the bribery, violation of antitrust laws, and fraudulent accounting while the non-compliance matters should be reported through AGC Thai Helpline.

Here below are all speak up channels which the company's employees can ask questions, voice concerns or make suggestion regarding the business practice of the company:

1. Committee of the Code of Conduct;
2. Sub-Committee of the Code of Conduct;
3. Direct Manager;
4. Helpline of the company [nathawat.tira@agc.com or +66 (0) 2030 6867]; or
5. AGC Global Helpline (<http://whistle.jp/AGC/>); or
6. AGC Thai Helpline (thai.helpline@agc.com or +81 3 3218 5745 Ext. 11-5745); or
7. The Audit Committee of Company (<http://www.vinythai.co.th/survey3.php>)

MAJOR CHANGES AND DEVELOPMENTS IN POLICIES, PRACTICES AND CORPORATE GOVERNANCE SYSTEMS IN YEAR 2020

Implementation of the Principles of Good Corporate Governance Year 2017 for Listed Companies

The company has reviewed the Corporate Governance Policy, based on the Principles of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand, and the Corporate Governance Code for Listed Companies 2017 of the Office of Securities and Exchange Commission. The company has adopted those principles for implementation and has proposed to the meeting of the Board of Directors No. 1/2021 on 22 February 2021 for acknowledgement. The Board of Directors has considered and reviewed the Corporate Governance Code by means that are suitable to the company's business. The company is in the process of reviewing and updating the principles of Good Corporate Governance to cover and keep up with rapid development of Good Corporate Governance and to raise the standard and practice of good corporate governance.

Compliance with Good Corporate Governance Principles in Other Matters

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

1. Rights of Shareholders

The company respects the right of shareholders equally and ensures that all shareholders are fully entitled to exercise their fundamental rights. These include: the rights to buy, sell, or transfer shares, ownership rights to participate in shareholders' meeting; voting rights to elect board members and approve directors' remuneration; the right to receive dividends; the right to express opinions freely, etc. The company also regularly discloses its information through the SET channel, publications and its website, including organizing activities for shareholders such as invitation to plant visit and coral cultivation using PVC pipes. The company enhances the exercise of rights and does not infringe upon or curtail those rights. Shareholders are actively encouraged to exercise their rights, as follows:

Prior to the Annual General Meeting of Shareholders (AGM)

- Following the Board of Directors' resolution dated 21 February 2020 to call an Annual Ordinary General Meeting of Shareholders, the company, on the same day, announced a meeting schedule along with the agenda through the SET's communication channels and the company's website.
- Prior to the shareholders' meeting, the company prepared a notice to call the shareholders' meeting both in Thai and English specifying the date, time and venue of the meeting, along with an agenda including the respective opinion of the Board of Directors pertaining to each item:
 - o Agenda items considered at the meeting included: the company's annual operating results and dividend payment; the appointment of an auditor and consideration of the auditing fees; appointment of new directors in place of those to be retired by rotation; and remuneration for the Board of Directors.
 - o The notice of the shareholders' meeting and the agenda included significant and sufficient detailed information; and were distributed together with: a map clearly indicating the meeting venue; a barcode registration form; a copy of the company's most recent annual report; a copy of the minutes of the previous shareholders' meeting; a copy of the company's Articles of Association relating to the shareholders' meeting; the names of directors to be retired by rotation and those proposed to be re-appointed for another term; proxy forms containing name and details of independent director, appointed as proxy, and details about the credentials each shareholder needs to bring to the meeting.
- Concerning director nominations, the company specified type of directors proposed for approval and provided their relevant personal records, including shareholding (if any), meetings attendance record and years of service with the company. Particularly for the nomination of independent director, the company pays significant attention to follow the SEC regulation.
- The company designated Thailand Securities Depository Co., Ltd., its share registrar, to distribute the notice of shareholders' meeting and relevant documents as above-mentioned, to shareholders. The distribution took place 8 days in advance of the meeting day in order to allow shareholders sufficient time to consider proposed meeting agenda items. The company disclosed the notice of shareholders' meeting and accompanying documents on its website 20 days ahead of the meeting and communicated such disclosure through the SET channels. The company also publicized the notice to call a shareholders' meeting in Thai daily newspapers for 3 consecutive days prior to the meeting.
- To enhance the rights of shareholders, the company allowed shareholders to propose agenda items prior to the meeting day. The company notified shareholders accordingly through the SET channels and the company's website including clear explanation of criteria and consideration procedures, as well as a form for proposing agenda made available in the company's website.

On the AGM Day (16 July 2020)

- For the convenience of shareholders on the meeting day, the company implemented a barcode system for registration, recording attendance of the participants, and vote-counting. The barcode system significantly accelerated these processes and enhanced the convenience of the shareholders.
 - Upon registration, the company also provided shareholders with ballots for each agenda items and encouraged them to cast their votes, especially those wishing to vote against or abstain on any item.
 - The shareholders' meeting starts when there is a quorum, based on both shareholder attendance and proxies. Prior to the meeting, the company introduced its directors, management, the company's auditor, legal advisor, and explained the procedures for voting, counting of votes and result of vote counting. Resolutions of the meeting are passed by a vote of the attending shareholders and proxies on the basis of 1 share 1 vote. Procedures for voting and counting of votes are as follows:
 - 1) A shareholder may vote in favor of, against, or abstain from voting for each agenda item, in the ballot received upon registration.
 - 2) When the Chairman requests the meeting to put a vote to any resolution to, the Chairman will first ask the meeting whether there would be an objection from any shareholders to the proposed resolution. If there is no objection (in which case no ballot will be used), it shall be deemed that the meeting passes an unanimous resolution approving what has been proposed. The Chairman will then state that the meeting passes an unanimous resolution for that agenda item.
 - 3) If a shareholder votes against or abstains from voting on any agenda item, the Chairman will request him or her to mark the ballot and raise his or her hand for the official to collect the ballot.
 - 4) Only the votes cast by shareholders voting against or abstaining shall be counted. The votes of disagreement or abstention shall be deducted from all the votes of those attending the meeting, and the remaining votes shall be deemed to have agreed with the proposal for the relevant agenda item.
 - 5) The voting method for the agenda of appointment of directors will be on a person by person basis. The ballots will be collected from the shareholders for the vote cast for each director separately, whether for, against or abstain from voting.
 - 6) Where a shareholder has appointed a proxy and has casted his or her votes in the instrument appointing the proxy, the votes shall be counted as marked by the shareholder. If the shareholder does not indicate his intention, and the proxy does not vote against, such shareholder shall be deemed to vote for that resolution.
- With due transparency, the company announces the result of the vote on each agenda item at the meeting, enumerating the votes for and against and abstentions. The result of each vote is displayed together with the percentage of affirmative votes out of the total number of shares held by the shareholders present.
- The Board members participating in the meeting included Vice Chairman of the Board of Directors, Managing Director, Chairperson of the Audit Committee, Chairperson of the Business Advisory Committee, Independent Director and other Board members totaling 8 persons. The Vice Chairman of the Board of Directors assigned the Managing Director to be the Chairman of the meeting. In addition, the company's auditor and concerned Management were present to answer shareholders' inquiries and provide any clarifications required. To facilitate the shareholders' understanding, a professional interpreter was provided to help translating messages and information discussed in the meeting in Thai Language. The Chairman of the meeting allowed adequate time for the meeting to proceed and equal opportunities for all shareholders to examine the company's operations. To ensure that shareholders have sufficient information, they were encouraged to express their opinions, make recommendations and raise questions on agenda items before casting votes. In addition, after the meeting adjourned, directors, management, and the shareholders informally discussed relevant matters and exchanged views.

- Shareholders are permitted to register their attendance and exercise the right to vote on still pending agenda items after the meeting starts.
- The company conducted the shareholders' meeting in accordance with the sequence of agenda items as specified in the notice of shareholders' meeting. When conducting the meeting, the company neither switched the agenda nor added any items to the agenda specified in the notice of shareholders' meeting.
- The company distributed ballots to the shareholders to vote against or abstain from voting on any agenda item. Concerning the election of directors, the company allowed shareholders to cast separate votes for individual directors whether for, against or abstain from voting. Lawyers from Tilleke & Gibbins International Ltd. also attended the meeting to oversee proceedings, and assure transparency with respect to ballots and vote counts and compliance with relevant laws and regulations and the company's Articles of Association.

After the AGM Day

- The company notified the resolutions of the Shareholders Meeting after the Shareholders Meeting through SET Portal. The resolution stated the results of the vote and the voting results on each agenda.
- All significant inquiries were recorded in the minutes of the meetings, together with attendance of directors, key issues discussed, Management responses and vote counts on each agenda item where votes were taken.
- The meeting minutes were prepared accurately and in their entirety, both in Thai and English. They were submitted to the SET within 14 days after the date of shareholders' meetings and posted on the company's website for shareholders to examine without having to wait until the next shareholders' meeting. In addition, to ensure the transparency, the meetings were videotaped by the company with copies available to shareholders on request.

The company's management is fully cognizant of how an effective shareholders' meeting is constituted. As such, it continually promotes and supports the rights of shareholders

prior to, during and after the shareholders' meeting in accordance with the Annual General Meeting (AGM) Checklist initiated by the SEC, with joint support by Thai Investors Association. As a further indication of the company's commitment to shareholder rights, the management reviewed the assessment findings of the AGM Checklist and found ways to correct areas where the need for improvement was indicated.

2. Equitable Treatment of Shareholders

The company provides equitable treatment to all shareholders. The shareholders' meetings are conducted in strict compliance with the applicable legal framework, including rules and regulations of the SET, the SEC, and the company's Articles of Association. This applies to every aspect of arranging and conducting meetings, from sending out invitations to distributing meeting documents and communicating meeting agenda to all concerned. Meeting procedures and submissions of reports is in full compliance with the SET and the SEC regulations. Shareholders can appraise themselves of the company's Articles of Association by accessing through the company's website.

The company values and treats all shareholders fairly through the following actions:

- The company fully facilitates the attendance of shareholders at every shareholders' meeting by organizing the meeting according to a convenient schedule, at a convenient time and at a convenient venue.
- The company provides shareholders with the option of appointing a proxy to attend the shareholders' meeting on their behalf. Any shareholder who is unable to attend the meeting also has the option of delegating their votes to an independent director. In order to facilitate the shareholders' authorization of a proxy according to their wishes, proxy forms are provided in various forms and distributed to the shareholders including the proxy in the format that the shareholders can specify the voting direction for each agenda. Considering the supervision of the utilization of inside information, as stipulated in its Code of Conduct, the company practices effective safeguards against the abuse of inside information, including internal controls and monitoring systems tailored to each business unit and scenario. The company prohibits executives or

concerned departments who receive inside information from disclosing corporate data to the public or outside parties and requires them not to misuse their positions and confidential information to which they are privy for their own advantage. The employees are prohibited from utilizing the company information or news which has not been disclosed to the public and may be material to the company share price, with the purpose of seeking profit or benefiting from trading the company's stock, whether directly or indirectly. Strict implementation of these preventive measures has resulted in no insider trading violations arising.

- The company disclosed complete information about the shareholding of the company's directors and management as defined by the SEC regulation, including their spouse and minor children (if any) in the annual report.
- Any director or management, who may have a vested interest in any transaction or matter directly affecting the company, should not participate in the decision making process on such issue.
- Each year, the company arranges the activities for Shareholders to visit the Plant and participation of the Coral Cultivation, 80,000 branches, for His Majesty the King project to support the growing corals with PVC pipe.

3. Role of Stakeholders

The Board of Directors has fully appreciated the value of the support of all groups of stakeholders, recognizing that they all contribute to the company's competitiveness and corporate profits. Thus, the Corporate Governance Charter approved by the Board of Directors promotes practices towards each of various groups of stakeholders. Moreover, the company's Code of Conduct also includes practices toward shareholders, customers, employees, and business partners, which the management and all employees shall follow so as to uphold consistent standard of conduct.

As it is understood that the participation of stakeholders can have a positive effect on the company on an on-going basis, considerable effort is made to safeguard the interests of each group as follows:

Shareholders

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

Board of Directors and Management

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

Employees

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

- Offering equal employment opportunity, respecting human and employee's right, and developing and fully realizing employees' potential in performing their tasks and duties. The company also implements equitable employment conditions and maintains a safe and conducive working environment. A welfare committee comprising representatives from the management and employees monitors and reviews employee benefits to ensure the employees welfare is adequate and secures for them the parity with the industry.
- Providing training and employee development opportunities at all levels. Employees are encouraged to develop thorough knowledge and competencies so as to continuously upgrade both the ability of the organization and its capacity in each work area.
- Providing seminars and trainings for all employee levels in order to gain the knowledge and understanding in respect to the environment including creation of the awareness in protection of natural resources and environment within the community and the public. The training courses which have been provided to the employees are as follows:

1. VOCs Inventory and Fugitive Management
 2. Estimation of VOCs Emission from Wastewater Treatment Plant by WATER 9 Program
- Promoting two-way communications within the whole company and making employees proud to work for the organization.
 - Providing suitable welfare for all levels of employees.
 - Placing at the top of all priorities, hygiene, safety and environment in the workplace.

Customers

The company is resolved to deal promptly with customer claims. Moreover, it strives to achieve high customer satisfaction, promotes sound relations based on respect for customer interests and is committed to continually developing products and services that add value to the customer. The company takes full responsibility for consistently providing good-quality products and services at reasonable prices. The company also provides comprehensive and accurate information concerning its products and services in conjunction with professional advice on product selection and utilization. Moreover, the company actively consults with customers to find the best ways to mitigate any potential harmful impacts from utilization of its products and jointly develops products with customers that optimize their business growth while safeguarding public health and the environment. Also with the objective of maintaining sustainable relationships with its customers, the company regularly organizes Customer Relationship Management (CRM) activities and conducts customer satisfaction surveys.

Creditors

The company treats all creditors equally and is fully cognizant of its accountability to creditors and its obligation to ensure that its conduct strictly adheres to contractual commitments and financial obligations. To ensure that all creditors are kept up-to-date with relevant financial information, the company submits its financial statement to all creditors on a quarterly and annual basis. Furthermore, the company's internal procedures ensure that it is open equally to all creditors to offer competitive pricing and services. In addition, the company can only accept new credit facilities offered by any financial institution after they are proposed to and approved by resolution of the Board of Directors.

Business Partners

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

Business Alliances

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

Competitors

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

Community, Society and Environment

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

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

- Creating business practices and implementing activities that are responsible and beneficial to society, both in the short and long term, and focusing on business transactions with trade partners who share common intentions regarding social and environmental responsibility.

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

Public Sectors

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

4. Disclosure of Company Information

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

Disclosure of information includes but is not limited to Annual Disclosure of Information/Annual Report, quarterly reports, any minutes of meeting, news, press releases, letters to shareholders, information on the company's website, information provided through various media, and interviews with the media and press conferences, etc.

• Disclose and Transparency

The Board of Directors is well aware of its responsibility for the integrity of the company's financial information. As such, the Board maintains effective internal control systems that ensure the accuracy and completeness of the company's bookkeeping as well as adequacy of measures to safeguard the company's assets. Recognizing the right of shareholders and investors to receive adequate and reasonable notification of the company's financial status, the company prepared the "Responsibility Statement from the Board of Directors on Disclosure of the Financial Report" and presented it both in Thai and in English in a separated item in Annual Disclosure of Information / Annual Report. The Board of directors also ensures that the financial information is disclosed completely, correctly and in timely manner in line with the SET's regulations.

To ensure equitable treatment to all stakeholders, in addition to disclosing information as specified in relevant regulations through the SET's channel, the company also discloses information such as the company's news, its vision, mission and shared values, Articles of Associations, corporate governance policy, corporate activities, Board members and sub-committees, and investors' news on its website both in Thai and English.

• Policy to Report the Shareholding and Transactions of Company Shares to Board of Directors

The Board of Directors specified that Board members and Management must disclose any changes in their securities holdings to the SEC in accordance with Section 59 of the Securities and Exchange Act B.E. 2535. In case of purchase, sale, or transfer of securities, Board members and Management shall report changes in their applicable securities holding to the SEC and the SET. In addition, any changes in directors' shareholding shall be reported to the Board of Directors' meetings. The Board of Directors and Management shall submit one copy of the securities disclosure to the company for record.

The holding of the company's shares by the Director and Management as of 31 December 2020 and changes from the past year is as follows:

- *Directors: None of Directors holding the company's share*
- *Management: There are 10 managements (as the definition of the SEC) but there is only one holding the company's share.*

Name	As at 31 December 2019		Total	As at 31 December 2020		Total	Change: increase / (decrease)
	Number of shares held by (a) director or management	Number of shares held by (a) related person(s)		Number of shares held by (a) director or management	Number of shares held by (a) related person(s)		
1. All Directors (11 Persons)	-	-	-	-	-	-	-
2. Mr. Sompot Cheeranorawanich Vice President Corporate Affairs and Communications — Company Secretary	3,990	-	3,990	3,990	-	3,990	-

With regard to any issues that might result in a conflict of interest, the company strictly complies with the SEC and the SET's related regulations on "Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions" while always taking into account the best interests of all stakeholders.

• Investor Relations

The company's Vice President Finance and Accounting is in charge of investor relations activities and is required to communicate directly with institutional and individual investors, analysts and concerned government agencies. In year 2020, the company recorded 25 visits by investors and analysts as follows:

Type of Visit	No. of Visits	No. of Companies
One-on-One Meeting	25	6

Investors may request any information from the company at Tel. 0-2030-6800 or Fax. 0-2030-6801-2, e-mail at jamjuree.siro@agc.com, manoon.char@agc.com or mailing address at Vinythai Public Company Limited, No. 944 Mitrtown Office Tower, 14th Floor, Rama 4 Road, Wangmai Sub-District, Pathumwan District, Bangkok 10330, Thailand

In 2020, VNT established IR Code of Conduct for regulating the IR function in organization, VNT's IR Code of Conduct is posted in Vinythai website. For more details, please see <https://www.vinythai.co.th/th/Corporate%20Governance/7/>

• Policy for Prevention of Software Copyrights Violations

The company has the policy on prevention of software copyrights violations, the company also formulated guidelines to which its employees must strictly adhere. The guidelines include abuse of company's computer and IT system, such as, store and/or use illegal software on company's computer. In event of violations of the mentioned policy, an investigation shall be conducted as quickly as possible. An employee found guilty of such conduct is subject to the company's disciplinary actions.

5. Responsibilities of the Board

Pursuant to the company's Articles of Association, the Board of Directors shall comprise at least 10 directors, provided that not less than half of the total number of directors must have residence in Thailand. The Board structure consists of accepted knowledgeable, competent persons with various qualifications, skills, experience, and expertise that can provide optimum benefit to the company and its shareholders. Qualifications and experiences of the Board of Directors are disclosed in the Annual Disclosure of Information / Annual Report, which were posted on the company's website. With respect to the company's Corporate Governance Charter, the directors may not be the directors of more than five listed companies and must notify the Board of Directors of their positions for acknowledgement and approval.

It is the policy of the Board of Directors that the Chairman and Managing Director should not be the same person. This is to ensure clarity of responsibilities for issuing governance policy and undertaking the company's management. Although the Chairman of the Board and the Managing Director both represent one of the company's major shareholders, AGC Inc. (Japan), the current structure of the company's Board also includes representation of the other major shareholder, PTT Global Chemical Plc., and 4 independent directors. This arrangement creates a balance of power that ensures fair oversight of the company's administration. Even though, the Chairman is not an independent director, he has performed his duty in good faith, with due diligence and care, in accordance with the Board policy and in the best interests of the company.

The roles and responsibilities of the Chairman of the Board are different from those of the Managing Director. The Chairman of the Board conducts the Board meeting efficiently by urging all directors to actively participate, raise questions, and provide essential recommendations, leading to decision taken on significant policies pertaining to the company. The Managing Director reports to the Board of Directors and is authorized to administer, manage, supervise, and execute all acts in connection with the business of the company in accordance with the policies endorsed by the Board of Directors. The Managing Director takes responsibility for the company's operating results, controls expenses and capital expenditures limits as approved by the Board of Directors, manages the company's human resources to ensure a high level of motivation, performance and productivity and delegates authority in accordance with the strategy and performance of

the company, and maintains effective communication with the stakeholders. The Managing Director takes step to ensure that the policies and action plans of the company are implemented in line with its strategy and to the highest level.

The roles and responsibilities of the Board of Directors and the Management are clearly segregated. The Board of Directors formulates significant policies and oversees the Management's implementation of those policies. The Management shall be responsible for implementing policies formulated by the Board of Directors and ensuring that these are carried out as planned. Managerial authority is channeled through the Management according to clearly specified levels of authority. The Board advises and supports the Management through the Business Advisory Committee. However, the Board does not intervene in routine tasks and business activities under the Management's responsibility.

Roles and Responsibilities of the Board

The Board of directors fully commit to their roles and responsibilities in order to ensure effective discharge of their duties. All members of the Board of Directors exert their utmost efforts to perform their duties in good faith, with due diligence and care, in the best interests of the company and all stakeholders. Each director shall discharge their responsibilities in good faith in such a way to safeguard and promote the company's interests. The Board of Directors also conducts its meetings in accordance with its responsibilities to shareholders, including setting targets to secure optimum benefit for shareholder and other stakeholders within legal framework and business conduct. The Board of Directors reviews and approves the company's vision, mission, values and strategy every year. In addition, the company has improved the Charter on Corporate Governance and Code of Conduct.

(see the details at:

<http://www.vinythai.co.th/media//www/index/40146491535360231.pdf>, or

<http://www.vinythai.co.th/media//www/index/38124161522392257.pdf>)

Board Assessment

The Board of Directors has carried out its duties with maximum transparency and in full conformity with the Principles of Good Corporate Governance and Code of Best Practices for Directors

of Listed Companies, as prescribed by the SET, as well as the Securities and Exchange Act, B.E. 2535. The Board of Directors recognizes the importance of a self-evaluated and a constant improvement in its working performance. Therefore, the company conducted a self-assessment both group assessment and individual assessment for the Board of Directors and all sub-committees to evaluate their performance in accordance with the principles of Corporate Governance. The process and criteria of the self-assessment are as follows:

1. Group Assessment

- **The process of Board of Directors group self-assessment:**
 1. The Board of Directors approved and reviewed the self-assessment form for accuracy, completion, and compliance with the criteria set forth.
 2. The company Secretary summarized the results of the assessment.
 3. The company Secretary reported the assessment results to the Board of Directors for performance improvement.
- **The Board of Directors group self-assessment has generally been taken in 6 criteria:**
 1. Structure and qualifications of the Board of Director.
 2. Roles and responsibilities of the Board of Director.
 3. The Board of Director meetings
 4. The Board's performance in duties
 5. The Board's relationship with the company's management.
 6. Self-improvement of the directors and management development plan.

2. Individual Self-Assessment

- **The process of Directors Individual self-assessment has generally been taken in 3 criteria;**
 1. The Board of Directors approved and reviewed the self-assessment form for accuracy, completion, and compliance with the criteria set forth.
 2. The company Secretary summarized the results of the assessment.
 3. The company Secretary reported the assessment results to the Board of Directors for performance improvement.

- **The Directors Individual self-assessment has generally been taken in 3 criteria;**

1. Board structure and qualifications
2. The board meeting
3. Roles, duties and responsibilities of the board

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

3. The Sub-committee Assessment

The company's sub-committees are 1. the Audit Committee, 2. the Nomination and Remuneration Committee, 3. the Business Advisory Committee. They also conduct the annual performance assessment, both group and individual committee levels.

3.1 Audit Committee (AC)

The Audit Committee self-assessment has generally been taken in 3 criteria;

1. The AC Composition, Structure and Roles
2. The AC Duties and Responsibilities
3. The AC Meeting and Report

The results of the Audit Committee's group and individual self-assessment are satisfied.

3.2 Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee self-assessment has generally been taken in 3 criteria;

1. The NRC structure and qualifications
2. The NRC meeting
3. The duties and responsibilities of NRC

The results of the Nomination and Remuneration Committee's group and individual self-assessment are satisfied.

3.3 Business Advisory Committee (BAC)

The Business Advisory Committee self-assessment has generally been taken in 3 criteria;

1. The BAC structure and qualifications
2. The BAC meeting
3. The duties and responsibilities of BAC

The results of the Business Advisory Committee's group and individual self-assessment are satisfied.

Board and Management and Employee Training

The company supports and facilitates trainings for members of the Board of Directors, the Management and employees so as to continuously improve their skills, knowledge and working performance. The company's Board of Directors actively participates in the director trainings arranged by the Thai Institute of Directors Association (IOD). Some foreign directors who do not reside in the Kingdom are sometimes unable to attend the director training sessions as scheduled by the Thai IOD. However, they are provided relevant information by the Management to update themselves.

Business Orientation and plant visit are provided to the new directors in order to help them better understand the nature of the business and operations of the company. Training sessions for directors on pertinent topics are arranged to enhance their performance of their roles and responsibilities.

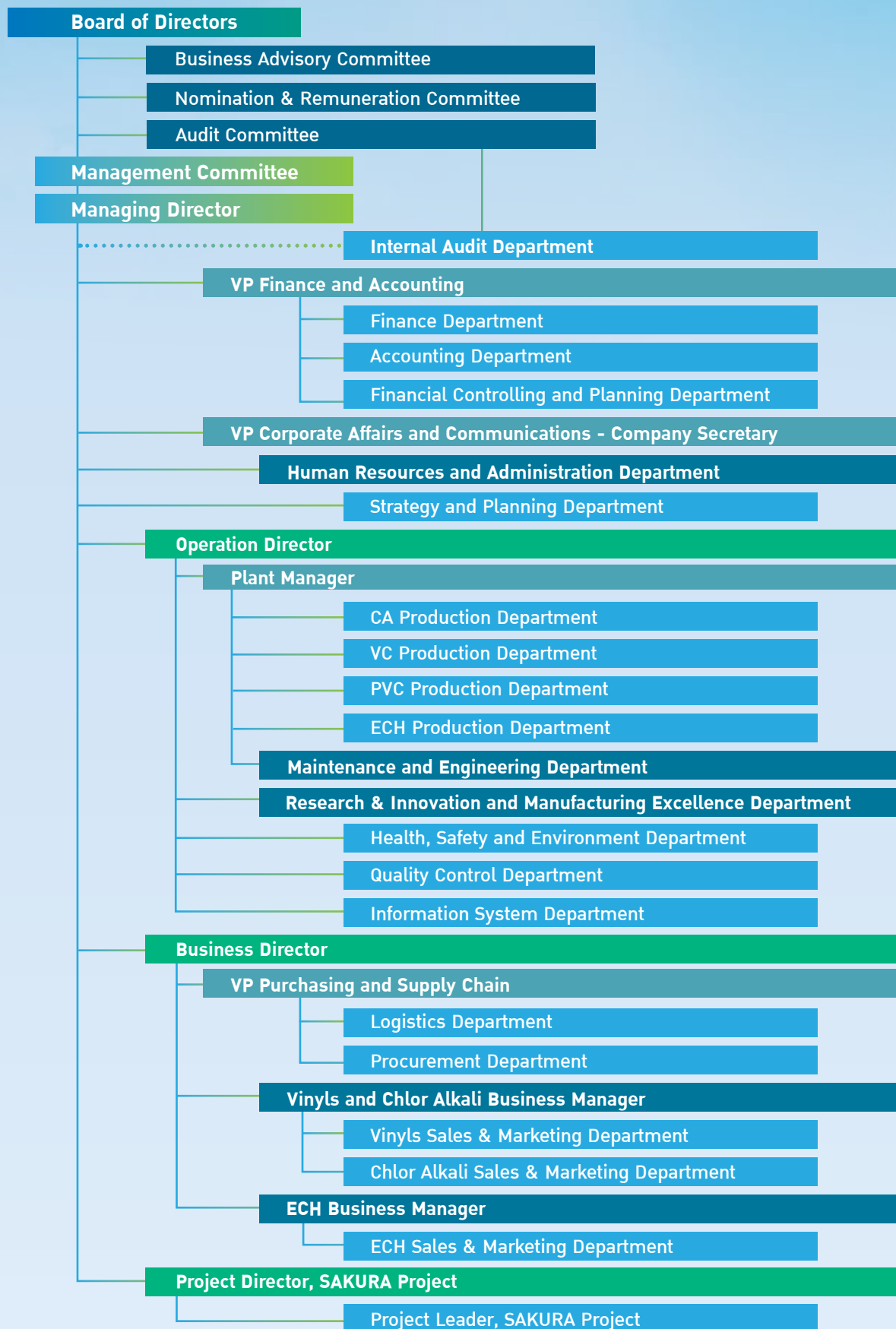
The company has introduced a career development planning program to cultivate the potential of its personnel and prepare those showing promise for roles that will serve the future needs of the company. The career development highlights management positions for which training and development are recommended for each individual, both technical and non-technical programs, so as to enhance and promote learning and transfer of technologies and knowledge, both domestically and abroad.



A photograph of an industrial facility, likely a refinery or chemical plant. In the foreground, a worker wearing a blue uniform, a blue hard hat, and safety glasses is operating a large, complex piece of machinery. The worker is looking intently at the equipment. The background shows a dense network of pipes, valves, and structural steel, with various industrial components like tanks and pumps visible. The overall scene is brightly lit, suggesting an outdoor or well-lit indoor environment.

CORPORATE GOVERNANCE STRUCTURE AND INFORMATION ABOUT THE BOARD OF DIRECTORS, COMMITTEES, MANAGEMENT AND EMPLOYEES

ORGANIZATION STRUCTURE



THE BOARD OF DIRECTORS

(as of 31 December 2020)



Mr. Kazuaki Koga
(Age 61)

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

Educational Qualification

- Bachelor of Laws, the University of Tokyo, Japan

Proportion of Shareholding (%)

none

Family's Relationship between Management

none

Work Experience in the Past 5 years

Positions in Listed Company on SET (1)

27 Apr 2017 - Present	Chairman of the Board of Directors and Chairman of Nomination & Remuneration Committee, Vinythai Public Company Limited
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Positions in Non-Listed Company on SET (2)

17 Mar 2015 - Present	Commissioner, PT Asahimas Chemical, Indonesia
1 Jan 2015 - Present	Executive Officer, GM of Essential Chemicals General Div., Chemicals Company, AGC Inc., Japan



**Mr. Wiboon
Chuchepchunkamon
(Age 58)**

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

Educational Qualification

- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Master of Science, Petroleum and Petrochemical, Petroleum and Petrochemical College, Chulalongkorn University
- Bachelor of Engineering, Electrical Engineering, Chulalongkorn University

Certificate:

- Role of Chairman, Thai Institute of Directors Association (IOD)
- The Executive Program in Energy Literacy for a Sustainable Future, TEA, Class 13, 2019, Thailand Energy Academy
- Director Certification Program (DCP) Class 219/2016, Thai Institute of Directors Association (IOD)
- Stanford - NUS Executive Program in International Management, the Republic of Singapore
- Harvard - Leadership Development, Shanghai, the People's Republic of China

Proportion of Shareholding (%)

none

Family's Relationship between Management

none

Work Experience in the Past 5 years

Positions in Listed Company on SET (2)

22 Nov 2019 - Present	Vice Chairman of the Board of Directors, Member of the Nomination & Remuneration Committee, Vinythai Public Company Limited
1 Oct 2020 - Present	Senior Executive Vice President — Downstream Petrochemical Business, PTT Global Chemical Public Company Limited
1 Oct 2019 - 30 Sep 2020	Acting Senior Executive Vice President — Downstream Petrochemical Business, PTT Global Chemical Public Company Limited
1 Jan 2018 - 30 Sep 2019	Senior Vice President — Polymers Business Unit, PTT Global Chemical Public Company Limited
1 Jul 2017 - 31 Dec 2017	Senior Vice President — Downstream Petrochemical Business, PTT Global Chemical Public Company Limited
1 Jan 2016 - 30 Jun 2017	Senior Vice President — EO-Based Performance Business Unit, PTT Global Chemical Public Company Limited
1 Oct 2015 - 31 Dec 2015	Vice President — EO-Based Performance Business Unit, PTT Global Chemical Public Company Limited
15 Feb 2013 - 30 Sep 2015	Vice President, Production — Olefins II, PTT Global Chemical Public Company Limited
1 Jan 2013 - 14 Feb 2013	Vice President, Production — LLDPE 1, PTT Global Chemical Public Company Limited

Positions in Non-Listed Company on SET (14)

26 Mar 2019 - Present	Chairman, Revolve Group Limited
15 Nov 2019 - Present	Chairman, GC Oxirane Company Limited
1 Oct 2019 - Present	Chairman, GC Glycol Company Limited
14 Nov 2019 - Present	Director, GC-M PTA Company Limited
14 Nov 2019 - Present	Director, Thai PET Resin Company Limited
9 Oct 2019 - Present	Director, Solution Creation Company Limited
1 Oct 2019 - Present	Director, PTT Phenol Company Limited
17 Oct 2018 - Present	Director, HMC Polymers Company Limited
19 Jun 2018 - Present	Director, Kuraray GC Advance Materials Company Limited
9 Jan 2018 - Present	Director, GC Marketing Solutions Company Limited
7 May 2019 - 10 Nov 2019	Chairman, GC Styrenics Company Limited
1 Jan 2018 - 31 Oct 2019	Chairman, GC Logistics Solutions Company Limited
1 Jan 2018 - 31 Oct 2019	Chairman, PL Global Transport Company Limited
22 Jan 2016 - 15 Jul 2017	Director / Managing Director, TOC Glycol Company Limited



Mrs. Warawan Tippawanich (Age 57)

Director, Chairperson of the Business Advisory Committee, and authorized to sign to bind the company

* appointed as Director and Chairperson of the Business Advisory Committee, with effect on 23 November 2020

Educational Qualification

- Master of Business Administration, Chulalongkorn University
- Bachelor of Science (Chemical Engineering), Chulalongkorn University

Certificate:

- Board Matters and Trends (BMT), Class 2/2017
- Company Secretary Program (CSP), Class 57/2014
- Board Reporting Program (BRP), Class 15/2014
- Company Reporting Program (CRP), Class 10/2014
- Director Certification Program (DCP), Class 190/2014, Thai Institute of Directors Association (IOD)
- Leadership Development Program (LDP) 2 and 3, PTT Leadership and Learning Institute

Proportion of Shareholding (%)

none

Family's Relationship between Management

none

Work Experience in the Past 5 years

Positions in Listed Company on SET (2)

23 Nov 2020 - Present	Director and Chairperson of the Business Advisory Committee*, Vinythai Public Company Limited
1 Oct 2019 - Present	Executive Vice President — Corporate Strategy, PTT Global Chemical Public Company Limited
1 Jan 2015 - 30 Sep 2019	Senior Vice President — Corporate Affairs and Corporate Secretary, PTT Global Chemical Public Company Limited

Positions in Non-Listed Company on SET (12)

15 Sep 2020 - Present	Director, PTTGC International Private Limited, Singapore
1 Sep 2020 - Present	Director, GC International Corporation
16 Nov 2019 - Present	Director, PTTGC America Corporation
16 Nov 2019 - Present	Director, PTTGC America LLC
11 Nov 2019 - Present	Director, GC Polyols Company Limited
1 Nov 2019 - Present	Director, GC Ventures Company Limited
1 Nov 2019 - Present	Director, GC Ventures America Corporation
9 Apr 2018 - Present	Director, Solution Creation Company Limited
24 Dec 2019 - 9 Nov 2020	Director, GC-M PTA Company Limited
24 Dec 2019 - 9 Nov 2020	Director, Thai PET Resin Company Limited
Jan 2015 - 11 Nov 2019	Director, GC Glycol Company Limited
Sep 2017 - 14 Sep 2019	Director, Sarn Palung Social Enterprise Company Limited
26 Jan 2015 - 1 Mar 2017	Director, PTTGC International Private Limited, Singapore



Associate Professor Danuja Kunpanitchakit, Ph.D. (Age 67)

Independent Director,
Chairperson of Audit Committee,
and Member of the Nomination &
Remuneration Committee

Educational Qualification

- Doctor of Philosophy (Business Administration), University of Wisconsin-Madison, USA
- Master of Business Administration (Accounting), University of Wisconsin-Madison, USA
- Bachelor of Accountancy (First Class Honors, Gold Medal), Chulalongkorn University

Certificate:

- Certificate in Director Accreditation Program (DAP) Class 98/2012, Thai Institute of Directors Association (IOD)
- Certificate in Audit Committee Program (ACP) Class 44/2013, Thai Institute of Directors Association (IOD)
- Risk Management for Corporate Leaders (RCL) 16/2019, Thai Institute of Directors Association (IOD)
- IT Governance and Cyber Resilience Program 15/2020, Thai Institute of Directors (IOD)

Proportion of Shareholding (%)

none

Family's Relationship between Management

none

Work Experience in the Past 5 years

Positions in Listed Company on SET (1)

29 Aug 2019 - Present	Member of Nomination & Remuneration Committee, Vinythai Public Company Limited
28 Nov 2017 - Present	Independent Director and Chairperson of Audit Committee, Vinythai Public Company Limited
25 May 2012 - 27 Nov 2017	Independent Director and Member of Audit Committee, Vinythai Public Company Limited

Positions in Non-Listed Company on SET (6)

29 Jun 2020 - Present	Honorable Committee Member of the University Council, Chulalongkorn University
26 Apr 2019 - Present	Independent Director and Chairperson of Audit Committee, Capital Nomura Securities Public Company Limited
8 Mar 2018 - Present	Member of Good Governance and Social Responsibility Committee, Thai Public Broadcasting Service (ThaiPBS)
24 Jul 2018 - Present	Member of Financial Management Committee, Thai Public Broadcasting Service (ThaiPBS)
27 Jul 2017 - Present	Honorable Committee Member in Accounting, Federation of Accounting Professions
4 Jan 2017 - Present	Member of Audit Subcommittee, Deposit Protection Agency
27 Feb 2014 - 26 Feb 2020	Member of Audit Committee, Bank of Thailand
1 Apr 2008 - 17 May 2016	Vice President (Finance and Accounting), Chulalongkorn University



Mr. Pipop Pruecksamars (Age 73)

Independent Director
and Member of
the Audit Committee

Educational Qualification

- Bachelor Degree, Industrial Engineering, Chulalongkorn University

Certificate:

- Graduate Diploma, Environmental Technology and Management, Asian Institute of Technology
- Certificate, Program for Management Development, Harvard University
- Certificate in Audit Committee Program (ACP) Class 23/2008, Thai Institute of Directors Association (IOD)
- Certificate in Director Certification Program (DCP) Class 124/2009, Thai Institute of Directors Association (IOD)
- Certificate in Role of the Chairman Program (RCP) Class 28/2012, Thai Institute of Directors Association (IOD)

Proportion of Shareholding (%)

none

Family's Relationship between Management

none

Work Experience in the Past 5 years

Positions in Listed Company on SET (2)

29 Aug 2019 - Present	Independent Director and Member of the Audit Committee, Vinythai Public Company Limited
28 Nov 2017 - 28 Aug 2019	Independent Director, Member of Audit Committee, and Member of the Nomination & Remuneration Committee, Vinythai Public Company Limited
24 Apr 2008 - 27 Nov 2017	Independent Director, Chairman of Audit Committee, and Member of the Nomination & Remuneration Committee, Vinythai Public Company Limited
1 Jan 2000 - 28 Feb 2005	Director and Public Affairs Manager, Esso (Thailand) Public Company Limited

Positions in Non-Listed Company on SET (3)

1 Mar 2005 - 31 Dec 2009	Executive Director, Petroleum Institute of Thailand
1 Oct 1997 - 28 Feb 2005	Chairman and Managing Director, ExxonMobil Chemical (Thailand) Co., Ltd.
1 Sep 1994 - 30 Sep 1997	Managing Director, Thai Petroleum Pipeline Co., Ltd.



Mr. Pote Videtyontrakich (Age 67)

Independent Director
and Member of
the Audit Committee

Educational Qualification

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

Certificate:

- Certificate in Chairman 2000, Class 2/2001, Thai Institute of Directors Association (IOD)
- Certificate in Director Certification Program (DCP), Class 57/2005, Thai Institute of Directors Association (IOD)
- Certificate in Capital Market Academy (CMA 16) (April - August 2013)

Proportion of Shareholding (%)

none

Family's Relationship between Management

none

Work Experience in the Past 5 years

Positions in Listed Company on SET (1)

3 Aug 1999 - Present	Independent Director and Member of the Audit Committee, Vinythai Public Company Limited
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Positions in Non-Listed Company on SET (3)

Mar 2019 - Present	Director, Hasfarm Holding Limited
Sep 2014 - Present	Director, Viet-Uc Seafood Joint Stock Company
Feb 2002 - Present	Managing Director, Private Equity (Thailand) Company Limited



Mr. Andre van der Heyden (Age 73)

Independent Director

Educational Qualification

- Master Degree in Metallurgical Engineering, Université Catholique de Louvain, Belgium

Proportion of Shareholding (%)

none

Family's Relationship between Management

none

Work Experience in the Past 5 years

Positions in Listed Company on SET (2)

29 Apr 2010 - Present	Independent Director, Vinythai Public Company Limited
16 Apr 2008 - 13 Dec 2011	Managing Director, Padaeng Industry Public Company Limited
16 Nov 2000 - 30 Oct 2004	Managing Director, Padaeng Industry Public Company Limited

Positions in Non-Listed Company on SET (3)

1 Dec 2005 - 10 May 2010	Co-owner / Executive Director, Mali Mining & Metallurgy Pte., Ltd., Singapore
1 Nov 2004 - 30 Nov 2005	Project Director, Tenango Mining Co., Guatemala
1 May 1993 - 15 Nov 2000	Senior Vice President, UM Zinc/Umicore, Belgium



Mr. Hiroaki Sano
(Age 55)

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

Educational Qualification

- Bachelor of Economics, Kobe University, Japan

Proportion of Shareholding (%)

none

Family's Relationship between Management

none

Work Experience in the Past 5 years

Positions in Listed Company on SET (1)

22 Feb 2017 - Present	Director, Managing Director, and Member of the Business Advisory Committee, Vinythai Public Company Limited
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Positions in Non-Listed Company on SET (6)

3 Apr 2018 - Present	Director, Thai Refined Salt Co., Ltd.
4 Apr 2017 - Present	Director, Pimai Salt Company Limited
27 Feb 2017 - Present	Chairman, Advanced Biochemical (Thailand) Co., Ltd.
22 Feb 2017 - 30 Oct 2019	Chairman, Vinythai Holding Pte. Ltd., Singapore
22 Feb 2017 - 19 Nov 2018	Chairman, Solvay Biochemicals (Taixing) Co., Ltd., China
1 Jan 2017 - 21 Feb 2017	Deputy General Manager, Strategy & Planning Office, Corporate Planning Div., AGC Inc., Japan
21 Feb 2012 - 31 Dec 2016	Deputy General Manager, Corporate Planning Group / Office of President, AGC Inc., Japan
5 Jun 2011 - 20 Feb 2012	Senior Manager, Corporate Planning Group / Office of President, AGC Inc., Japan



Mr. Yoshihisa Horibe
(Age 55)

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

Educational Qualification

- Bachelor of Economics, The University of Tokyo, Japan

Proportion of Shareholding (%)

none

Family's Relationship between Management

none

Work Experience in the Past 5 years

Positions in Listed Company on SET (1)

26 Apr 2018 - Present	Director and Member of the Business Advisory Committee, Vinythai Public Company Limited
22 Feb 2017 - 25 Apr 2018	Director and Business Director, Vinythai Public Company Limited

Positions in Non-Listed Company on SET (12)

21 Jan 2020 - Present	Senior Manager, Essential Chemicals General Division, Chemicals Company, AGC Inc., Essential Chemicals, Southeast Asia Regional Office
4 Apr 2018 - Present	Director, AGC Chemicals (Thailand) Co., Ltd.
3 Apr 2018 - Present	Director, Thai Refined Salt Co., Ltd.
4 Apr 2017 - Present	Director, Pimai Salt Company Limited
6 Apr 2018 - 6 Apr 2020	Director, AGC Chemicals Vietnam Co., Ltd.
3 Apr 2018 - 17 Mar 2020	Director, PT Asahimas Chemical, Indonesia
1 Apr 2018 - 20 Jan 2020	General Manager, Chlorine & Alkali Southeast Asia Div., AGC Chemicals, AGC Inc., Essential Chemicals, Southeast Asia Regional Office
1 Apr 2017 - 9 Mar 2020	Director, PT Riken Asahi Plastics Indonesia
27 Feb 2017 - 26 Mar 2018	Managing Director, Advanced Biochemical (Thailand) Co., Ltd.
22 Feb 2017 - 30 Mar 2018	Director, Advanced Biochemical Europe
22 Feb 2017 - 19 Nov 2018	Director, Solvay Biochemicals (Taixing) Co., Ltd., China
5 Oct 2015 - 21 Feb 2017	Director, PT Asahimas Chemical, Indonesia
24 Jan 2013 - 4 Oct 2015	Director, Business Planning, Essential Chemicals Div., Business Management General Div., Chemicals Company, AGC Inc., Japan
13 Feb 2011 - 23 Jan 2013	Director, Strategic Planning Div., AGC (China) Holdings Co., Ltd., China



Mr. Masahiko Fukamachi
(Age 58)

Director and authorized to sign
to bind the company

Educational Qualification

- Bachelor of Law, Hitotsubashi University, Tokyo, Japan

Proportion of Shareholding (%)

none

Family's Relationship between Management

none

Work Experience in the Past 5 years

Positions in Listed Company on SET (1)

26 Apr 2018 - Present Director, Vinythai Public Company Limited

Positions in Non-Listed Company on SET (6)

27 Mar 2018 - Present Director, Pimai Salt Co., Ltd.
13 Mar 2018 - Present Vice Chairman, Thai Refined Salt Co., Ltd.
1 Mar 2018 - Present Member of the Board and President, AGC Chemicals (Thailand) Co., Ltd.
1 Mar 2018 - Present Member of the Board and President, Surisa Ltd.
9 Apr 2017 - 21 Feb 2018 Chief Financial Officer, CMC ICOS Biologics Inc., USA
21 Jan 2017 - 8 Apr 2017 General Manager, Bioscience Div., Life Science General Division, AGC Inc., Japan
21 Jul 2016 - 20 Jan 2017 General Manager, Planning & Coordination Group, Finance & Accounting Division, AGC Inc., Japan
1 Oct 2013 - 20 Jul 2016 General Manager, Business Administration Office Service Center, Building & Industry Glass Company, Japan/Asia Pacific, AGC Inc., Japan



Mr. Ryutaro Yamaki
(Age 56)

Director and authorized to sign
to bind the company

Educational Qualification

- Master of Science, Graduate School of Science, The University of Tokyo, Japan

Proportion of Shareholding (%)

none

Family's Relationship between Management

none

Work Experience in the Past 5 years

Positions in Listed Company on SET (1)

22 Nov 2019 - Present Director*, Vinythai Public Company Limited

Positions in Non-Listed Company on SET (3)

3 Aug 2020 - Present Director, AGC Chemicals (Thailand) Co., Ltd.
1 Oct 2019 - Present Senior Manager, Essential Chemicals General Div., AGC Chemicals, AGC Inc., Essential Chemicals, Southeast Asia Regional Office
21 Oct 2018 - 30 Sep 2019 GM, Production Planning & Management Div., AGC Chemicals, AGC Inc., Japan
1 Jan 2016 - 20 Oct 2018 GM, Sales & Supply Chain Management Div., AGC Chemicals, AGC Inc., Japan
21 Apr 2010 - 31 Dec 2015 GL, Business Coordination Group, Essential Chemicals General Div., AGC Chemicals, AGC Inc., Japan

* appointed as Director,
with effect on 22 November 2019

MANAGEMENT COMMITTEE



Mr. Hiroaki Sano
Managing Director



Mr. Masaru Orihara
Operation Director



Mr. Shuichi Iguchi
Sakura Project Director



Mr. Masaki Takahashi
Business Director



**Mrs. Jamjuree
Sirovetnukul**
Vice President Finance
and Accounting



**Mr. Sompot
Cheeranorawanich**
Vice President Corporate
Affairs and Communications
– Company Secretary



**Mr. Apichart
Kijjaroenvisal**
Plant Manager



**Mr. Boonchana
Mangkonkarn**
Vice President Purchasing
and Supply Chain

BOARD OF DIRECTORS STRUCTURE

- The Board of Directors comprises at least 10 directors, not less than half of whom must have residence in Thailand.
- It is the policy of the Board of Directors that the Chairman and Chief Executive Officer or Managing Director should not be the same person. This is so as to ensure clarity of responsibilities for issuing governance policy and undertaking the company's management.
- The Board of Directors is responsible to shareholders, with each director representing all shareholders and participating in the corporate governance of the company with independence and neutrality, for the benefit of all shareholders and other stakeholders.
- The Board of Directors sets its own appropriate membership numbers and composition, including a proportion of independent directors that is equal to at least one-third of the total board size and numbering not less than three positions.
- At least one Independent Director should be knowledgeable in the matter of reviewing the company's financial statements.
- The Directors may not be directors of more than five listed companies on the Stock Exchange of Thailand and must notify the Board of Directors of their positions for acknowledgement and approval.

CHARACTERISTICS AND QUALIFICATIONS OF DIRECTORS

- Directors must be persons who have knowledge and experience that are beneficial to the company's business and must understand and be interested in the company's business.
- Directors must be qualified in accordance with Section 68 of the Public Company Limited Act, B.E. 2535.
- Directors must be recruited and approved by the Board of Directors.
- No Director shall engage in any business of the same nature as or coinciding with the business of the company, either for their own benefits or for the benefits of others, unless they have notified the General Meeting of Shareholders prior to their appointment as director.
- Directors shall act in good faith, ethically and honestly.
- Directors shall be responsible and accept the obligation to fully perform their duties for the company and interested parties, ethically and legally.
- Directors must use independent discretion that shareholders can trust.
- Directors must devote time and pay attention to the company's affairs and regularly participate in the company's meetings.
- Directors must comply with corporate governance guidelines set by relevant agencies.

As of 31 December 2020, the Board of Directors comprises 11 directors as follows:

1. Mr. Kazuaki Koga ^{1/}	Director/ Chairman of the Board of Directors/ Chairman of the Nomination and Remuneration Committee
2. Mr. Wiboon Chuchepchunkamon	Director/ Vice Chairman of the Board of Directors/ Member of the Nomination and Remuneration Committee
3. Mrs. Warawan Tippawanich	Director/ Chairperson of the Business Advisory Committee

4. Mr. Hiroaki Sano	Director/ Managing Director/ Member of the Business Advisory Committee
5. Mr. Yoshihisa Horibe	Director/ Member of the Business Advisory Committee
6. Associate Professor Dr. Danuja Kunpanitchakit ^{2/}	Independent Director/ Chairperson of the Audit Committee/ Member of the Nomination and Remuneration Committee
7. Mr. Pipop Pruecksamars	Independent Director/ Member of the Audit Committee
8. Mr. Pote Videtyontrakich ^{2/}	Independent Director Member of the Audit Committee.
9. Mr. Andre van der Heyden	Independent Director
10. Mr. Masahiko Fukamachi	Director
11. Mr. Ryutaro Yamaki	Director

Note: ^{1/} director whose residence is outside the kingdom

^{2/} declared as audit committee member with adequate expertise and experience to reliably review the accuracy and credibility of the company's financial statements

MEETING OF THE BOARD OF DIRECTORS

- At the beginning of the year, the schedule of the Board meetings shall be set in advance to allow the directors to arrange their Calendar for attendance at every meeting. Special session of the meeting may be called by the Chairman as deemed appropriate.
- Meetings of the Board of Directors shall be held at least once every three months.
- Not less than fifteen days prior to the meeting date, notice of the Board of Directors' meeting shall be given to each director or director's representative. The company Secretary is responsible for ensuring that the Board of Directors receives adequate and timely information. The company Secretary is responsible for ensuring that all directors receive relevant information at least seven days in advance in order to give them enough time to study the materials, consider the matters raised and reach appropriate decisions to be expressed at the applicable Board of Directors' meeting.
- At all meetings of the Board of Directors, quorum will be achieved with the attendance of at least one half of the total number of directors in office.
- Directors who have an interest in agenda items under consideration will be considered non-voting and shall not participate in that part of the meeting.
- Directors can access and request from the management information regarding the company's operations. They can also request an opinion from the company's independent external advisors at the company's expense.
- The Chairman of the Board shall approve the matters to be included in the agenda in consultation with the company Secretary. The company Secretary will consider the directors' request to add other important matters for consideration at the next Board of Directors' Meeting.
- The Chairman is responsible for allocating sufficient time for management to present all information enabling the Board of Directors to fully discuss important issues.
- The Chairman of the meeting shall highlight items on the agenda for consideration by the directors and give necessary support and opportunity for each director to share his/her opinion in order to process ideas and reach a conclusive resolution by the meeting.

The Board Of Directors Takes Overall Responsibility for the Following:

1. Endorse the vision, goals and strategies of the company every year, including risk policies, business plans & annual budgets, monitor the company's operations and approve major investments, takeovers and sales of company businesses.
2. The Board of Directors shall manage and carry on the business of the company in accordance with the law, the company's objectives and articles of association and resolutions of shareholders' meetings. Moreover, directors shall do so in good faith and consistent with the best interests of the company and shareholders.
3. Supervise and monitor activities of the company's management to ensure that their performance is in line with established policy in accordance with good corporate governance and so as to add economic value to the company and increase wealth for shareholders.
4. Monitor the operation of the company at any time with cognizance of relevant laws and contract terms as they relate to the company and require management to report its performance and other important matters to each Board of Directors' meeting, thereby effectively improving the company's operation.
5. Provide accounting systems, financial reporting, internal controls and effective and credible internal audits.
6. Control and oversee management treatment of all interested parties to ensure that they are ethical and equitable.
7. Evaluate the company's success in order to determine bonuses and rates of annual salary increases within the Group.
8. Play a key role in risk management matters so as to establish and maintain guidelines and measures to ensure adequate risk management and regular monitoring.
9. Independent directors and other outside directors are prepared to use their discretion in independently considering issues pertaining to strategic management of resources, appointment of directors and setting operational standards, and are ready to challenge the actions of directors and other management figures in cases of conflicting opinions as they affect the equitable treatment of all shareholders.
10. If necessary, the Board of Directors shall enlist the services of external professional advisors at the company's expense.
11. Appoint a Company Secretary to assist the Board of Directors with various activities, including Board of Directors' meetings and shareholders' meetings, and regularly advise the Board and the company on their conduct and correct operations according to laws and relevant regulations. The company Secretary will also ensure that the Directors and the company disclose information correctly and transparently.
12. Provide provisions pertaining to business conduct, director conduct, executive conduct, and employee conduct to be implemented in-house.
13. Suspend trading at least one month prior to announcements of financial news and for at least three days after announcement of financial statements.
14. Report the securities holdings of their spouses and minors to each Board of Directors' meeting and notify the company without delay in the event of an interest, whether directly or indirectly held, arising in any contract made within the company's fiscal year, or if holding shares or debentures in the company and/or the company's subsidiaries.

The material approval authorities of the Board of Directors are for example:

1. Approval of major investment, takeover or sale of business including the acquisition and disposal of asset, related party transaction in accordance with the regulation of the office of the Securities and Exchange Commission and the Stock Exchange of Thailand
2. Appointment, withdrawal and authorization of duties to the sub-committees including the appointment of directors during the year, appointment of specific committee, the determination of names of director who can sign to bind the company
3. The appointment of the company secretary in accordance with the Securities and Exchange Act
4. The approval of vision, goal, strategy and policy for the operation of the company
5. Approval of the establishment, merger and acquisition of subsidiaries
6. Approval of the open and close of accounts and implementation of company's normal business accounts with banks or financial institutions

7. Approval of the institution, conduct, prosecution, settlement, compromise and defense of any action or other legal proceeding including the appointment of a lawyer whatsoever necessary to sustain the interest of the company for both civil and criminal cases
8. Approval of entering into the major contracts of the company

COMMITTEES

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

(1) The Business Advisory Committee

As of 31 December 2020, the Business Advisory Committee comprises the following members:

- | | |
|-----------------------------|-------------|
| 1. Mrs. Warawan Tippawanich | Chairperson |
| 2. Mr. Yoshihisa Horibe | Member |
| 3. Mr. Hiroaki Sano | Member |

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

(Please see the more details in our website: <http://www.vinythai.co.th/media/www/index/40146491535360231.pdf>)

(Business Advisory Committee Charter on page 29 - 33)

(2) The Audit Committee

As of 31 December 2020, the Audit Committee comprises the following members:

- | | |
|--|-------------|
| 1. Associate Professor Dr. Danuja Kunpanitchakit | Chairperson |
| 2. Mr. Pipop Pruecksamars | Member |
| 3. Mr. Pote Videtyontrakich | Member |

Dr. Supachat Chairatanathavorn served as Secretary to the Audit Committee.

All members of the committee are evidently knowledgeable and competent persons with appropriate experience to perform their duties. **Mr. Pote Videtyontrakich and Associate Professor Dr. Danuja Kunpanitchakit, committee members possess adequate expertise and experience to review the reliability and creditability of the financial statements.**

(Please see the more details of Audit Committee Charter in our website: http://www.vinythai.co.th/media/file/ACChaaterRev-Eng_JUL2018_Final@Sep2018.pdf)

(3) The Nomination and Remuneration Committee

As of 31 December 2020, the Committee comprises of existing members as follows:

- | | |
|--|----------|
| 1. Mr. Kazuaki Koga | Chairman |
| 2. Mr. Wiboon Chuchepchunkamon | Member |
| 3. Associate Professor Dr. Danuja Kunpanitchakit | Member |

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

(Please see the more details in our website: <http://www.vinythai.co.th/media/www/index/40146491535360231.pdf>)

(Nomination and Remuneration Committee Charter on page 40 - 44)

MANAGEMENT

As of 31 December 2020, the list of Management according to the definition of the SEC are as follows:

Management Committee

1. Mr. Hiroaki Sano	Managing Director
2. Mr. Masaki Takahashi	Business Director
3. Mr. Masaru Orihara	Operation Director
4. Mr. Shuichi Iguchi	Project Director
5. Mrs. Jamjuree Sirovetnukul	Vice President Finance and Accounting
6. Mr. Sompot Cheeranorawanich	Vice President Corporate Affairs and Communications - Company Secretary
7. Mr. Apichart Kijjarovanisal	Plant Manager
8. Mr. Boonchana Mangkonkarn	Vice President Purchasing and Supply Chain

The persons supervising finance and accounting:

9. Ms. Thippawan Thammakesorn	Deputy Accounting Department Manager
10. Ms. Ratchada Srithongpoeng	Deputy Finance Department Manager

EMPLOYEES

As at 31 December 2020, total headcount is as follows:

	Vinythai	Advanced Biochemicals (Thailand)
Map Ta Phut	480	0
Bangkok	45	0

Employees in each main working unit consist of

	Vinythai	Advanced Biochemicals (Thailand)
Managing Director Unit	17	0
Business and Administration	25	0
Production Unit	211	0
Production and Business Support Unit	253	0
Project and Construction Unit	19	0

Remuneration To Staff

In 2020, the total remuneration consisting of salary, bonus and other benefits, including provident fund scheme paid to employees is as follows:

	Vinythai	Advanced Biochemicals (Thailand)
Total Remuneration of Employees (MTHB)	866,511	-

OTHER IMPORTANT INFORMATION

The Person Taking the Highest Responsibility in Finance and Accounting

Mrs. Jamjuree Sirvetnukul, Vice President — Finance and Accounting, has been appointed as the person taking the highest responsibility in finance and accounting effective from 1 September 2011.

(Experience and educational qualification of the company's Management is disclosed in the Attachment 1 — Information of Directors, Management, and Empowered Persons.)

Company Secretary

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

(Experience and educational qualification of the company's Management is disclosed in the Attachment 1 — Information of Directors, Management, and Empowered Persons.)

Internal Audit

Mr. Kittipong Jamsak has been appointed as the Internal Audit Department Manager effective from 1 November 2020.

(Experience and educational qualification of the company's Management is disclosed in the Attachment 3 — Information of Head of Internal Audit.)

Investor Relations

The company's Vice President Finance and Accounting is in charge of investor relations activities and is required to communicate directly with institutional and individual investors, analysts and concerned government agencies.

Investors may request any information from the company at Tel. 0-2030-6800 or Fax. 0-2030-6801-2, e-mail at jamjuree.siro@agc.com, manoon.char@agc.com or mailing address at Vinythai Public Company Limited, No. 944 Mitrtown Office Tower, 14th Floor, Rama 4 Road, Wangmai Sub-District, Pathumwan District, Bangkok 10330 Thailand.

Corporate Governance Officer

Mr. Nathawat Tirawatnangkoon, Legal and Compliance Manager, has been appointed as the Corporate Governance Officer effective from 3 November 2015.

(Experience and educational qualification of the company's Management is disclosed in the Attachment 3 — Information of Head of Internal Audit.)

Audit Fee

(1) Audit Fee

The company paid the audit fee to the auditor in the past fiscal year in the amount of THB 2,060,000.

(2) Non-Audit Fee

The company paid the non-audit fee for corporate income tax review and other services in the past fiscal year in the amount of THB 1,300,000.



CORPORATE GOVERNANCE REPORT

NOMINATION AND APPOINTMENT OF DIRECTOR AND TOP MANAGEMENT

Independent Directors

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

1. holding shares not exceeding zero point five percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
2. neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of application filing with the Office;
3. not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children of executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the company or its subsidiary;

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

The business relationship under the abovementioned paragraph shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the company or the counterparty being subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of the company or from twenty million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, *mutatis mutandis*. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year to the date of establishing the business relationship with the related person;

5. neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a

major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;

6. neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;
7. not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholders;
8. not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.
9. not undertaking any business of the same nature and in significant competition with the business of the company or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the company or its subsidiary.



DIRECTORS AND TOP MANAGEMENT

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

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

1. In case of any vacancy for a Director, Independent Director or Audit Committee Member, the Nomination and Remuneration Committee shall nominate a qualified candidate who does not possess any prohibited characteristics to serve as Director, Independent Director or Audit Committee Member and propose to the Board of Directors' Meeting for consideration and approval of the appointment.
2. Any director has the right to propose the name of a qualified candidate to the Nomination and Remuneration Committee within the timeframe for consideration, including preliminary qualification check, before proposing such person to the Board of Directors' Meeting for consideration and approval of appointment.
3. Any major shareholder has the right to propose the name of a qualified candidate to the Nomination and Remuneration Committee within the allotted timeframe for consideration, including preliminary qualification check, before proposing the person to the Board of Directors' Meeting for consideration and approval of appointment.
4. The Nomination and Remuneration Committee will announce the timeframe for proposing the name of a qualified candidate who meets all requirements to serve as a Director, Independent Director or Audit Committee Member.
5. Any time the Nomination and Remuneration Committee identifies a qualified candidate or candidates meeting all characteristics, to serve as a Director, Independent Director or Audit Committee Member, the Nomination and Remuneration Committee shall forward the resume(s) of the proposed qualified candidate(s) to the company Secretary to conduct a preliminary check of the candidate(s) qualifications.
6. Once the company Secretary has checked the proposed candidate(s) qualifications, the company Secretary will prepare a summary report and propose the candidate to the Nomination and Remuneration Committee for its consideration and resolution. If it agrees with the proposal, the Nomination and Remuneration Committee will propose the candidate for consideration and approval by the Board of Directors' Meeting.
7. Once the Board of Directors' Meeting has approved the appointment, the company Secretary will be responsible for disclosure to or registration with the Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC), Ministry of Commerce and/or any related organizations. The company Secretary will compose a profile of the director in compliance with the relevant rules and/or laws.
8. In case of any vacancies for Directors, Independent Directors or Audit Committee Members arising otherwise than by rotation, and the remaining term of office of such Directors, Independent Directors and Audit Committee Members being less than two months, the Board of Directors' Meeting will propose replacement candidate(s) to the Shareholders' Meeting for consideration and approval.

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

The Board of Directors resolved to propose the shareholders' meeting to elect new directors in place of those to be retired by rotation and amend the authority of directors (in case there is a change in directorship). The shareholders' meeting will resolve by a simple majority vote, in accordance with the following rules and methods:

1. Each shareholder shall have votes equal to the number of shares held.
2. Each shareholder may exercise all the votes he has under

item 1 to elect one or several persons as directors but may not allot his votes to any person at any number.

3. The persons receiving the highest number of votes, in their respective order of the votes, shall be elected as directors according to the number of directors that the company may have or the number that are to be elected at such meeting. Where the votes cast for candidates in descending order are tied, which would cause the number of directors that the company may have or that are to be elected at such a meeting to be exceeded, the Chairman of that meeting shall have a casting vote.

The record of Board of Directors meeting and committee meeting attendance for 2020 is as follows:

Meeting Attendance / Total No. of Meeting

Name	Position	Board of Directors Meeting Total 7 times/year	Annual General Meeting
1. Mr. Kazuaki Koga ⁽¹⁾	Chairman	6/7	0/1
2. Mr. Wiboon Chuchepchumkamon	Vice Chairman	7/7	1/1
3. Ms. Duangkamol Settanung	Director	6/6 ⁽²⁾	1/1
4. Mr. Yoshihisa Horibe	Director	7/7	1/1
5. Mr. Hiroaki Sano	Director	7/7	1/1
6. Associate Professor Dr. Danuja Kunpanitchakit	Director	7/7	1/1
7. Mr. Pipop Pruecksamars	Director	7/7	1/1
8. Mr. Pote Videtyontrakich	Director	6/7	0/1
9. Mr. Andre R. van der Heyden	Director	7/7	1/1
10. Mr. Masahiko Fukamachi	Director	7/7	1/1
11. Mr. Ryutaro Yamaki	Director	7/7	0/1
12. Mrs. Warawan Tippawanich	Director	1/1 ⁽³⁾	-

⁽¹⁾ Directors whose residence are outside the Kingdom

⁽²⁾ Resigned from the member of Board of Directors effective from 30 September 2020; therefore the number of Board of Directors meeting is 6 times/year.

⁽³⁾ Appointed as the member of Board of Directors effective from 23 November 2020; therefore the number of meeting is 1 time/year.

REMUNERATION OF DIRECTORS AND MANAGEMENT

Remuneration (Money)

The company has fixed a policy for remuneration of directors that entails maximum transparency. The remuneration is considered by the Nomination and Remuneration Committee and proposed to the Board of Directors to seek approval from the company's shareholders. The remuneration of directors is set at a level that is appropriate within the industry. Any Board members who serve in various positions, in the Board, shall receive payment only from the position with the highest remuneration.

In 2020, the shareholders' meeting considered and approved monthly remuneration of the directors as follows:

- Chairman of the Board of Directors 70,000 Baht/month
- Vice Chairman 50,000 Baht/month
- Chairman of the Business Advisory Committee 65,000 Baht/month
- Business Advisory Committee 60,000 Baht/month
- Chairman of the Audit Committee 65,000 Baht/month
- Audit Committee 60,000 Baht/month
- Other Director 30,000 Baht/month

The Remuneration for the Board of Directors includes monthly remuneration and bonus. In 2020, the shareholders approved remuneration for the Board of Directors in the shareholders' meeting, including bonus payments based on the operational results for 2019. The total remuneration for the Board of Directors amounted to 6,847,333 Baht, inclusive of a total bonus payment of 16,500,000 Baht. Details are as follows:

Unit: Baht/Year

Name	Position	Remuneration	Bonus Paid in 2020	Total Remunerations and Bonus
1. Mr. Kazuaki Koga	Director/ Chairman of the Board of Directors/ Chairman of the Nomination and Remuneration Committee	840,000	1,500,000	2,340,000
2. Ms. Duangkamol Settanung ⁽¹⁾	Director/ Chairperson of the Business Advisory Committee	585,000	1,500,000	2,085,000
3. Mr. Hiroaki Sano	Director/ Managing Director/ Member to the Business Advisory Committee	720,000	1,500,000	2,220,000
4. Mr. Yoshihisa Horibe	Director/ Member to the Business Advisory Committee	720,000	1,500,000	2,220,000
5. Associate Professor Dr. Danuja Kunpanitchakit	Independent Director/ Chairperson of the Audit Committee/ Member of the Nomination and Remuneration Committee	780,000	1,500,000	2,280,000

Name	Position	Remuneration	Bonus Paid in 2020	Total Remunerations and Bonus
6. Mr. Pipop Pruecksamars	Independent Director/ Member to the Audit Committee	720,000	1,500,000	2,220,000
7. Mr. Pote Videtyontrakich	Independent Director/ Member to the Audit Committee	720,000	1,500,000	2,220,000
8. Mr. Andre van der Heyden	Independent Director	360,000	1,500,000	1,860,000
9. Mr. Masahiko Fukamachi	Director	360,000	1,500,000	1,860,000
10. Mrs. Warawan Tippawanich ⁽²⁾	Director/ Chairperson of the Business Advisory Committee	82,333	-	82,333
Directors who were appointed during the year 2019				
11. Mr. Wiboon Chuchepchunkamon ⁽³⁾	Director/ Vice Chairman of the Board of Directors/ Member of the Nomination and Remuneration Committee	600,000	125,000	725,000
12. Mr. Ryutaro Yamaki ⁽³⁾	Director	360,000	125,000	485,000
Directors who resigned during the year 2019				
13. Mr. Narongsak Jivakanun ⁽⁴⁾	Director/ Vice Chairman of the Board of Directors/ Member of the Nomination and Remuneration Committee	-	1,375,000	1,375,000
14. Mr. Tadashi Hiraoka ⁽⁴⁾	Director	-	1,375,000	1,375,000
Grand Total		6,847,333	16,500,000	23,347,333

⁽¹⁾ Resigned from the company's director effective from 30 September 2020

⁽²⁾ Appointed as the company's director effective from 23 November 2020

⁽³⁾ Appointed as the company's director effective from 22 November 2019

⁽⁴⁾ Resigned from the company's director effective from 22 April 2019

In addition to above, as resolved by the Nomination and Remuneration Committee, executive who served as the company secretary is entitled to receive an appropriate remuneration comprising total annual remuneration of 240,000 Baht for year 2020.

Remuneration of management is in conformity with the principles and policy set by the Board of Directors, which corresponds to the performance of the company. The total 2020 remuneration for the 10 executives (as the definition of the SEC) was 66,166,186 Baht, such remuneration comprised salary and bonus.

Remuneration (Other)

• Other Remuneration for Director

-none-

• Other Remuneration for Management

Provident Fund

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

GOOD CORPORATE GOVERNANCE OF ITS SUBSIDIARIES AND ASSOCIATES

Nomination and appointment for a director of the subsidiaries and the associates must be approved by the company's Board of Directors. Such director is responsible to act at the optimum interest of the company. Moreover, prior to proceeding of any important issue(s) of the subsidiaries, it should get approval from the company's Board of Directors.

In addition, the Vinythai Board has directed several important policies of the subsidiaries such as Management policies, Financial Accounting Policies Management policy on Safety, Health and Environment, CSR policy and HR management policies. It also ensures that those policies are consistent with the requirements and regulations of the Securities and Exchange Commission of Thailand and related laws.

Monitoring the Compliance of Corporate Governance Policies and Practices

• Conflict of Interest

To avoid unnecessary problems, the Board of Directors carefully scrutinizes any issues that might result in a conflict of interest. Such issues are acknowledged by the Board of Directors in accordance with the SEC and the SET regulations stipulated for a transaction based on an Arm's Length Basis. The Board of Directors monitors compliance with the regulations regarding criteria, procedures and disclosure of transactions with conflict of interests. The Audit Committee is assigned to review significant related transactions to ensure the transparency and the best interest of the company. To ensure fairness, directors or management having interests in the related transaction must not be involved in decisions and approval process.

• Control on the Use of Internal Information

Considering the supervision of the usage of inside information, the company has established control measures related to the use of internal information and stipulated the measures in the Corporate Governance Charter and Code of Conduct.

In addition, the company has established policy about the protection of company confidential information. A measure of protection of the company's confidential information has been stipulated as a standing instruction for all employees at all level

to comply with. Failure to control and protect the company's confidential information is breach of employment duties, and grounds for disciplinary action, up to, and including termination of employment. Disclosure or use of company confidential information without authorization is illegal and may subject an employee to civil or criminal liability.

To ensure the security of the information, the company has put in place and developed the Information Technology system to secure the accessibility to the company's information. As such, the IT system prevents the accessibility to the company's confidential and important information from external parties, and gives the rights for accessibility to confidential and important information properly classified for units in line with their works and responsibilities.

• Anti-Corruption

The company realizes the importance of the good corporate governance and demonstrates our commitment to conduct our business with the utmost integrity and compliance with laws, rules and regulation in respect to the anti-corruption. In this regard, the Board of Directors has approved the Anti-Corruption Policy to abide by as a guideline for anti-corruption and corruption risk management of the company. The company condemns corruption and prohibits any form of corruption in order to show that the company is aware of operations with transparency.

(Please learn more information about the Anti-Corruption Policy on the company's website at <http://www.vinythai.co.th/media/www/index/49737311487869078.pdf>)

Thailand's Private Sector Collective Action Coalition against Corruption (CAC)

The company is committed to comply with the Anti-Corruption Policy and applied in CAC program. As the result, the company has become the recertified member of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) for a period of 3 years as from 30 June 2020.

Activities that the company Implemented for the Code of Conduct and Anti-Corruption in 2020

1. The company provided training to all employees at all levels to create their awareness and to comply with the Code of Conduct and Anti-Corruption Policy. The company arranged those employees to do the test after the training in order to ensure the effectiveness of the training.

2. Employees at all levels must sign for the acknowledgement of the Code of Conduct to comply with and will not violate the Code of Conduct and for the report of Interest that employee do have or do not have a transaction with possible conflicts of Interest with the company and its subsidiaries. The Training and Certification on the Code of Conduct and Anti-Corruption Policy must be executed every year.
3. The company has developed and implemented the Code of Conduct for Suppliers since 2018 in order to demonstrate that it is committed to comply with applicable laws and regulations, to protect human rights and labor standards and to protect the environment — in its own operations as well as in relation to our business partners.
4. During the year 2019 and the beginning of 2020, the company went through the self-assessment process for a re-certification of the Thailand's Private Sector Collective Action Coalition Against Corruption. The company submitted relevant documents for the recertification of the CAC Certificate with the CAC Council in March 2020 and the company was approved to recertify for a period of 3 year as from 30 June 2020.
5. During the year, the company has arranged two meetings of the Sub-Committee of the Code of Conduct in August and December 2020 and one meeting of the Committee of the Code of Conduct in December 2020 to transact activities defined in the Code of Conduct in respect to Compliance Organization.

• Whistleblowing and Whistleblower Protection Measures

With a view to enhancing the participation of stakeholders in improving the company's performance to ensure the sustainability, the company opened communication channel for stakeholders to voice their concern about any crucial case related to the company's operations or unethical practices via the Audit Committee at the company's website. Where such concerns are raised, the Audit Committee shall arrange an investigation and report the findings to the Board of Directors for consideration, so that the company can find solution in a timely manner. The rights of any person who communicates such concern should be protected. The company has duly communicated this information to stakeholders through the SET channel.

In addition to the above, the company's website includes details of personnel responsible for each area so that employees, investors, customers, local communities and other stakeholders can communicate recommendations and make enquiries from the company through the following:

- Audit Committee : <http://www.vinythai.co.th/en/home/3/Contact%20us/2/>
- The company's website : www.vinythai.co.th (Contact Us)
- AGC Global Helpline : <https://whistle.jp/AGC/>
- AGC Thai Helpline : thai.helpline@agc.com
: telephone +81 3 3218 5745 ext. 11-5745
- VNT Helpline : nathawat.tira@agc.com
: telephone 0-2030-6867

THE PERFORMANCE OF THE AUDIT COMMITTEE

The record of Audit Committee meeting attendance for 2020 is as follows:

Meeting Attendance / Total No. of Meeting

Name	Position	Audit Committee Meeting Total 5 times/year*
1. Associate Professor Dr. Danuja Kunpanitchakit	Chairperson of Audit Committee	5/5
2. Mr. Pipop Pruecksamars	Audit Committee	5/5
3. Mr. Pote Videtyontrakich	Audit Committee	5/5

* Total 5 times/year, including the annual meeting with Auditor

AUDIT COMMITTEE'S REPORT FOR 2020

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

The Audit Committee has independently performed its duties in conformity with the Audit Committee Charter which has been regularly reviewed in line with current business situation, as well as to be fully aligned with the requirements of the Stock Exchange of Thailand, and the mission entrusted to it by the Board of Directors. The Audit Committee also pursues and promotes the adherence to good corporate governance and the compliance with laws and regulations in relation to the business operations of the company and its subsidiaries.

Major activities carried out by the Audit Committee during 2020 are summarized as follows:

(1) Meetings

In 2020, the Audit Committee held totally five meetings comprising four ordinary meetings, and one non-management meeting, all of which attended by the Audit Committee members. The management and the external auditor were invited to attend the quarterly meetings to discuss various issues of concern.

The Audit Committee held a non-management meeting once a year with the external auditor without the presence of the company's management in order to freely discuss issues concerning the preparation of the financial statements, disclosure of information and accounting policies, rationality of related transactions, internal control and management's cooperation, as well as to review other special items so as to obtain sufficient clarifications from the external auditor. The external auditor did not find significant issues which could impact the financial statements. The management provided full support and information as required by the external auditor to perform its duties.

(2) Review of Quarterly and Annual Financial Statements

The Audit Committee reviewed the financial statements of the company as well as the consolidated financial statements for the company and its subsidiaries for the year ended 2019 and 2020 quarterly reports prior to submission to the Stock Exchange of Thailand and the public disclosure. The review covered significant accounting transactions, reporting issues and their impacts on the financial statements, key audit matters, compliance with Thai Financial Reporting Standards, the COVID-19 relief measures related to the impact from COVID-19 situation, as well as proper disclosure of financial statements. The Audit Committee also acknowledged the report of IT audit which was incorporated in the audit plan of the external auditor on yearly basis. The review process ensured that the financial reporting was timely prepared and financial information was complete, correct and reliable, with adequate disclosure to meet the Thai Financial Reporting Standards and requirements of relevant laws and regulations.

The Audit Committee expressed its observations, provided recommendations and obtained sufficient clarification from the external auditor and the management to ensure that the financial statements were credible, complete in compliance with the generally accepted accounting principles, and contained adequate information and timely disclosure.

(3) Review of Related Transactions

The Audit Committee has exercised independent judgment in reviewing related transactions with the company's major shareholders and transactions with potential conflict of interest. The review is to ensure rationality, transparency as well as to ascertain that the company has conducted its affairs in full compliance with relevant rules and regulations. In 2020, based on the review of the transactions undertaken in the normal course of business, no unusual transactions considered material were found.

(4) Review of Internal Control System and Risk Management

The Audit Committee advised and monitored the adequacy, appropriateness and effectiveness of the company's internal control system which included the compliance with Japanese version of Sarbanes Oxley (J-SOX) Act which applied to all listed companies in Japan and their subsidiaries. Based on 2020 assessment of the company's J-SOX implementation which assessed by the major shareholder's internal audit team and the external auditor nominated by the major shareholder, the result revealed that the company's internal control system has been effective.

The Audit Committee reviewed the internal control from internal audit reports and internal control assessment in accordance with the SEC's internal control checklist form, whereby the Audit Committee found that despite challenging situation in COVID-19 environment, overall internal control system is present and functioning, remains satisfactory, adequate and appropriate for the company's business operations.

The Audit Committee reviewed the risk management of the company and its subsidiaries, of which the company's Management Committee is responsible for assessing and mitigating risks, as well as, reviewing risk profile and monitoring the company's risk management. The Audit Committee provided recommendation to the management to streamline the risk assessment process and risk identification to ensure that all risks identified have been timely mitigated with adequacy and appropriateness for the business operation. Furthermore, in 2020, the Audit Committee emphasized the management to revisit risk assessment, monitor the business continuity plan, as well as to consider new business opportunity.

(5) Review of Internal Audit

The Audit Committee reviewed the internal audit reports of the company's Internal Audit function to ensure that the internal audit activities were performed according to its plan including annual security incident report and physical count report to ensure that the operations were carried out adequately and properly. In addition, prior approval, the Audit Committee considered and discussed the internal audit plan 2021 in order to make sure that the plan is in response to the corporate risks. On concern of internal audit resources, the Audit Committee approved an appointment of Internal Audit Department Manager to succeed Senior Internal Audit Department Manager, who retired from the company, effective from 1 November 2020.

(6) Review of Corporate Governance and Compliance

The Audit Committee reviewed overall management of the company's corporate governance practices to ensure the practices have been appropriate for business operation as well as, in compliance with criteria defined by the SEC, the SET and the Thai Institute of Directors (IOD).

In 2020, the Audit Committee reviewed the company's compliance with the company's Self-Evaluation Tool for Countering Bribery to ensure that the information provided in the self-evaluation was accurate and sufficient. The Chairperson of the Audit Committee certified the self-evaluation prior submission to Board approval for further submission to the Private Sector Collective Action Coalition Against Corruption (CAC), aiming to re-certify CAC membership status. From 30 June 2020, the company has been granted the re-certification of CAC membership status.

Moreover, on concern of the Corporate Governance Code (CG Code) for listed companies 2017 established by the SEC, the Audit Committee acknowledged the implementation report and provided recommendations to the management to develop CG Code compliance appropriately.

The Audit Committee reviewed complaints from stakeholders communicating critical issues, deficient internal control or unethical behaviors via the company's website and other channels as defined by the company. the complaint cases reported in 2020 were investigated, resolved and reported to whistle-blowers and concerned parties.

The Audit Committee reviewed the Audit Committee Charter on annual basis to ensure that the scope of duty and responsibilities have been in compliance with the requirement of the SEC. In 2020, the Audit Committee unanimously agreed that the Charter remains robust and aligned with the SEC rules.

The Audit Committee has continued to assess the Audit Committee's overall performance to evaluate its general effectiveness as a whole. Furthermore, in 2020, the Audit Committee resolved to self-assess the performance on an individual basis. Based on 2020 assessment, the result showed that the overall and individual performances were at satisfactory level.

(7) Review of External Auditor and Audit Fee

The Audit Committee evaluated and selected KPMG Phoomchai Audit Ltd. to be the auditor of the company and its subsidiaries based on professional expertise, knowledge and experience, engagement and proper remuneration. Consequently, the Audit Committee recommended to the Board of Directors to seek the approval of the shareholders' meeting to appoint Ms. Sirinuch Vimolsathit, or Ms. Sureerat Thongarunsang, or Mr. Waiyawat Kosamarnchaiyakit, as the company's auditor, and determined the auditor's remuneration for 2020.

Upon consideration of the above issues, the company's Audit Committee provided an opinion that the company's financial statements were prepared in accordance with generally accepted accounting principles with adequate disclosure of related transactions. The company conducted its business in compliance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand and related laws. It is further deemed that the internal audit functions, internal control system, and suitable risk management are effective in ensuring that the company's financial information is complete, correct, and reliable with sufficient disclosure.



Associate Professor Danuja Kunpanitchakit, Ph.D.

Chairperson of the Audit Committee

THE PERFORMANCE OF THE NOMINATION AND REMUNERATION COMMITTEE

The record of Nomination and Remuneration Committee meeting attendance for 2020 is as follows:

Meeting Attendance / Total No. of Meeting

Name	Position	Nomination and Remuneration Committee Meeting Total 3 times/year
1. Mr. Kazuaki Koga	Chairman of Nomination and Remuneration Committee	3/3
2. Mr. Wiboon Chuchepchukamon	Nomination and Remuneration Committee	3/3
3. Associate Professor Dr. Danuja Kunpanitchakit	Nomination and Remuneration Committee	3/3

THE NOMINATION AND REMUNERATION COMMITTEE'S REPORT

The Board of Directors has established the Nomination and Remuneration Committee (the "Committee") for screening and nominating the candidates for Directors, Sub-Committees and the Managing Director. Additionally, criteria and procedure must be established for the proper determination of fair and reasonable remuneration for Directors and Sub-Committees which will be presented to the Board of Directors' Meeting and Annual General Meeting for shareholders' approval.

In 2020, the Committee reasonably and fairly performed all of the duties which were assigned by the Board of Directors under the role and responsibility as established in Charter of Nomination and Remuneration Committee.

During the year 2020, the Committee organized 3 meetings. Below is a summary of the Committee's key performance:

1. Nomination of Directors and Sub-Committee

The Committee nominated candidates to replace members of the Board of Directors who shall retire by rotation at the 2020 Annual General Meeting of Shareholders (AGM).

In this regards, the Committee proposed Mr. Pipop Pruecksamars, Mr. Pote Videtyontrakich, Mr. Masahiko Fukamachi and Mr. Yoshihisa Horibe, who shall retire by rotation to remain in the position of Directors for one more term. The qualifications of these nominees were aligned with the laws and the company's strategic needs. At the AGM, the shareholders voted to re-appoint these nominees as proposed by the Committee.

The Committee nominated suitable candidates, namely Mrs. Warawan Tippawanich, to replace directors who resigned during the year 2020 to the Board of Directors for appointment.

The Committee nominated Sub-Committee members to fill vacant positions in the Sub-Committees. The Committee considered the qualifications of each Director against the composition of each Sub-Committee, the requirements of the Securities and Exchange Commission and of the Stock Exchange of Thailand, the company's Articles of Association and the charter of each respective Sub-Committee. Their knowledge, capability, specific experiences and expertise that could benefit their roles on the Sub-Committees were taken into account. The nominations were made to the Board of Directors for appointment.

2. The Remuneration of Directors and Sub-Committees

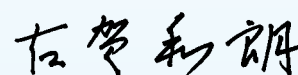
The Committee considered the remuneration of the Directors and the Sub-Committees in comparison with the remuneration offered by other listed companies or leading corporations in the same industry with prudence, fairness, and rationality, before proposing to the Board and the Shareholders' Meeting for approval.

3. The Performance Self-Assessment

The Committee has established the assessed its own 2020 performance in the form of Group and individual self-assessment. The result of the assessment will be reported to the Board of Directors and disclosed in the Annual Report.

The Committee performs his duty in a transparent manner and in accordance with the good corporate governance principles for the utmost benefit of the company and its stakeholders. This Committee's dedicated performance will sustainably culminate in the company's excellent stature.

On behalf of the Nomination and Remuneration Committee



Mr. Kazuaki Koga

Chairman of Nomination and Remuneration Committee

THE PERFORMANCE OF THE BUSINESS ADVISORY COMMITTEE

The record of Business Advisory Committee meeting attendance for 2020 is as follows:

Meeting Attendance / Total No. of Meeting

Name	Position	Business Advisory Committee Meeting Total 5 times/year
1. Ms. Duangkamol Settanung	Chairperson of Business Advisory Committee	4/4 ⁽¹⁾
2. Mr. Yoshihisa Horibe	Business Advisory Committee	5/5
3. Mr. Hiroaki Sano	Business Advisory Committee	5/5
4. Mrs. Warawan Tippawanich	Chairperson of Business Advisory Committee	0/0 ⁽²⁾

⁽¹⁾ Resigned from the Business Advisory Committee effective from 30 September 2020, therefore the number of meeting were 4 times/year.

⁽²⁾ Appointed as the Business Advisory Committee effective from 23 November 2020, therefore the number of meeting were 0 time/year.

THE BUSINESS ADVISORY COMMITTEE'S REPORT

The Board of Directors has appointed a Business Advisory Committee (the "Committee") to monitor effectiveness of the operation of the company according to directions of the Board of Directors and company's target and to assists the Board of Director for considering, scrutinizing, and verifying all key issues prior to propose to the Board of Directors for consideration.

In 2020, the Committee organized 5 meetings in total for performing all the duties which were assigned by the Board of Directors which can be summarized as follows:

1. Review the Business Operation Plan and Strategic Business Plans

The Committee performed its duties to review and provide preliminary comments about the operation plans, strategic plan and to consider the appropriateness of the business plan and annual budget. The Committee also provided advices and recommendations for managing the organization and running the operations in order to support the growth in the future and sustainably increase the organization's competitive advantages.

2. Consider and Comment on the Investment of the company's Projects

The Committee performed its duties to consider, screen, and comment the investment in various projects of the company through analyses of opportunities and threats occurred in the investment and the risk management in the financial transaction or the investment in projects of company, including monitored and evaluated the results before reporting to the Board of Directors.

3. Consider the Business Agreements

The Committee considered and acknowledged overall activities, business agreements and renewal of business agreements of the company and its subsidiary, including provided any required relevant suggestions before reporting to the Board of Director for approval.

4. Consider any Proposed the Connected Transactions together with Acquisitions or Dispositions of Assets

The Committee considered and scrutinized the connected transactions and the acquisitions or dispositions of assets with prudence, fairness, and rationality to ensure these transactions are undertaken in a reasonable manner, at the appropriate prices, and under the most appropriate terms and conditions for the best interests to the company and stakeholder, before proposing to the Audit Committee and the Board of Directors in case the total value of transaction is significant importance to the company in accordance with the SET regulations.

5. The Performance Self-Assessment

The Committee has established the assessment of its own 2020 performance in the form of Group and individual self-assessment. The result of the assessment will be reported to the Board of Directors and disclosed in the Annual Report.

The Committee performed its duties as assigned by the Board of Directors, by utilizing its knowledge and capability to do its duties carefully, prudently, and reasonably in order that business can be achieved according to the company's vision, missions and business strategies at full capacity and for the maximum benefit of the company and all stakeholders as well as building confidence in the performance and the regulation of the company's management to be efficient and sustainable.

On behalf of the Business Advisory Committee



Mr. Hiroaki Sano
Member of Business Advisory Committee



The company's Board of Directors, the Audit Committee, and the Management place an importance on the efficiency and effectiveness of corporate governance, internal control system, and risk management. The Audit Committee has been assigned by the Board of Directors to review and evaluate the implementation of the internal control system and the risk management. The Management has formulated the internal control deemed appropriate for the company's business operations and organization structure as well as taking into account new emerging risks and the changing of the business environment which probably affects the performance of the company. Risks exposed to the operation environment are identified and assessed to mitigate the company's risk exposure, in order to achieve the company's objectives. In 2020, the company took immediate risk response to cope with COVID-19 pandemic outbreak, in order to mitigate potential impacts towards business achievement and all groups of stakeholders.

In 2020, the Audit Committee presented its semi-annual report to the Board of Directors in the Board Meeting No.5/2020 held on 16 July 2020, and year-end report of 2020 to the Board Meeting No.1/2021 held on 22 February 2021 which included the evaluation of the internal control of the company in compliance with the internal control evaluation form outlined by the SEC based on COSO Framework. After consideration, the Board of Directors had the same view as the Audit Committee that despite challenging situation in COVID-19 environment, overall internal

control system is present and functioning, remains satisfactory, adequate and appropriate for the company's business operations. To ensure effective controls in place, the company has provided sufficient resources to efficiently operate according to the determined processes, as well as, implementation of Business Continuity Plan. Current monitoring and follow-up of the operation including risk management system are adequate to safeguard the shareholders' investment, the interests of customers, regulators, stakeholders, and company's assets. The review has not identified any circumstances which suggest any fundamental deficiencies in the company's internal control system, which can be summarized as follows:

1) CONTROL ENVIRONMENT

The company demonstrates a commitment to integrity and ethical values. The Board of Directors defined and approved Policy on Corporate Governance, Anti-Corruption, Business Ethics and Code of Conduct practices for director, management and employees. The company also determined "Integrity" as one of the Shared Values. The approved code of conduct was trained to the company's management and employees at all level on annual basis. Moreover, communication through various activities and trainings have been provided to employees in awareness of compliance with the Code of Conduct and Anti-Corruption Policy.

Under the Policy of Corporate Governance and Anti-Corruption, designated compliance function is assigned to oversee the deployment of the code of conduct and the accompanying compliance program, as well as to monitor the effectiveness of the implementation. The company takes all steps to ensure full compliance with ethical principles and that appropriate penalties are imposed in the event of any violation. In case of non-compliance is found, the company timely proceeds to handle any violation case, as well as fixing remedial actions for improvement.

The Board of Directors provides governance and oversight to the management. The Board of Directors supervises the company to set clear and measurable annual business goals and strategic plans, as well as to monitor KPIs set by the management, which are used as guideline and benchmarks to ensure achievement of the objectives. The Board has responsibility for ensuring that an adequate system of internal control is established and maintained. The management takes step to develop appropriate internal control system and monitor the effectiveness of the internal control. All employees are accountable for their control activities. In accordance with the company's Internal Control and Risk Management Policy, all managers with support of their subordinates are expected to take part in the internal control and risk management by participating in internal control activities, reviewing their risks, maintaining an up-to-date risk, and develop proper internal controls in place, as well as, reporting on key risks and status of their controls.

According to the company's structure, delegation of authorities has been clearly defined by the Board of Directors, especially for significant matters, to ensure transparency and accountability. Explicit approval procedures for operations, the roles and responsibilities of management and operation in each level, including reporting lines, have been clearly stated in writing and reviewed upon changes to ensure sufficient control. Appropriate and adequate resources are regularly reviewed and adjusted to ensure that the duty performance process especially involving high risks are justifiable.

The company demonstrates commitment to develop and retain competent individuals through HR policies and procedures. Trainings are continuously provided to employees to develop their competency and to enhance their career objectives. In addition, the company has also established performance appraisal process and rewarding system to drive individuals' accountability for performance.

2) RISK ASSESSMENT

The company's risk management system is integrated into the review of corporate strategic plan which is annually presented to the Board of Directors for consideration. The Board of Directors assigned the Business Advisory Committee to prescribe policies and suggested measures for the appropriate and efficient management of risks associated with the business of the company, to evaluate the performance and to review risk profiles of the company as to ensure that the risks are not higher than determined risk tolerance. The review by the Audit Committee is to ensure that the risk management systems and measures of the company are appropriate. Furthermore, the Internal Control and Risk Management Policy has been enforced by the Management Committee and communicated to all employees to uphold such policy.

Under risk management system steered by the Management Committee, risks were identified both from internal and external risk factors, including significance of financial reporting that could affect the achievement of the company's objectives and business operations. On-going monitoring of high risks has been monitored and assessed to ensure effective mitigation measures. In 2020, by taking step to revisit the risk management, the Management Committee addressed new risks including emergence of COVID-19 pandemic outbreak, which could potentially affect to the business operations and objective achievement. Consequently, mitigation measures have been released with an aim to ensure on-going business operation and protect all group of stakeholders' interest, which include employees, customers, and business partners.

The management is also well aware of operation risk related to fraud. Thus measures for preventing and detecting potential fraud have been implemented through effective control procedures, segregation of duties, explicit delegation of authorities, control over information system and accessibility, as well as the security of information assets. In addition, to emphasize the anti-corruption program implemented by the company, the guideline of fraud risk assessment has been developed in some potential frauds areas to identify the extent of the corruption risk to the business in order to ensure that the company has adequate measurement to prevent potential fraud to the company's business operations.

3) CONTROL ACTIVITIES

The company encourages employees to conform to the control activities and related laws and regulations to ensure the effectiveness of the designed internal control system. Under the COVID-19 environment with remote workforce, the management and employees put the utmost effort to enhance existing procedures and control activities to adapt to such challenging situation. Control activities are summarized as follows:

- Policies, business process manuals, and procedures related to procurement, finance and credit management, contracts and loan agreement have been formulated to ensure management directives were carried out. Such policies and procedures have been regularly reviewed to be appropriate for business operations. Delegation of power was defined in writing and regularly reviewed with approval by the Board of Directors, covering delegation of power granted to the management to act as directors in its subsidiary. Transaction authority for significant activities and level of approval for each level of management were clearly designated through line of authority in writing and communicated to employees for compliance. Extending from the management down to the operational level, roles and responsibilities at each level were defined in writing, to demonstrate clear authority and duties of all employees.

- In order to maintaining good control, the company has separated the function of authorization of the transactions from that of book recording and safeguarding of assets. All relevant parties were given a framework, within which they can control utilization of the company's assets, while the duties of operational staff and inspectors were kept separate. Additionally, a financial control system has been introduced, via the implementation of a financial reporting process for the various levels of management.

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

- The financial reporting and all connected transactions are correct, complete with adequate disclosures to meet the generally accepted accounting principles and in conformity with

the Securities and Exchange Acts, Regulations of the Stock Exchange of Thailand, and any other relevant laws.

- The company has implemented systematic data processing and enhanced information quality through a data governance program, as well as, identified, protected, and retained financial data and information with access and application control. The company has developed control activities over technology to ensure accuracy and transparency of the operations. Access to confidential information, significant data, or critical application has been limited to authorized persons. Rules and regulations have been established to ensure security of the company's information assets. In addition, in case of incident affecting the information system, the company has prepared procedures of business continuity plan which extended to supply chain logistics to ensure company operation, products to customers and information system continuously in operation from any kind of failure.

- Apart from internal control system currently in place, the company, as a subsidiary of AGC Group, has been also implementing internal control and assessment based on the Japanese Financial Instruments and Exchange Act (J-SOX). According to the assessment by the AGC Corporate internal auditors and external auditor, the company's J-SOX implementation in 2020 has been effective.

4) INFORMATION AND COMMUNICATION

- The management obtained or generated and used relevant and quality information from internal and external sources. Meeting materials prepared for the decision of the Board of Directors were adequate and submitted to the directors in advance. Meeting minutes were recorded with significant information in details, which were kept for reference and traceability.

- Several internal communication channels have been set up to deliver information to employees, such as e-newsletter, intranet, etc. Message from the Managing Director has been also communicated to all employees via e-mail on monthly basis in order to emphasize on important policies and information of the company. Moreover, the company held an event (called Bridging Day) to allow the Managing Director and the Management to update business information and progress, as well as, the company's objectives to the employees.

- The company has set up communication channel for stakeholders to voice their concern about any crucial case related to the company's operations or unethical practices via the Audit

Committee at the company's website. The company's website also includes details of personnel responsible for each area so that investors, customers, local communities and other stakeholders can communicate recommendations and make enquiries from the company via the company's website. Furthermore, the company encourages employees to ask questions, voice concerns and make appropriate suggestions regarding the business practices of the company. Employees are expected to report promptly to management suspected violations of laws, policies, and internal controls. Alternative channels of communication on such concern are provided for employees. According to the company's code of conduct, the rights of any person who communicates such concern shall be protected.

5) MONITORING ACTIVITIES

- The company has determined monitoring measures to ensure adherence to the code of conduct, as well as, defining monitoring process at both operational and management levels. The Board of Directors assigned the Business Advisory Committee to assist the Board in monitoring the performance indicators and business goals compared to the approved targets. The Management Committee holds meeting twice a month to discuss and follow-up significant issues related to business performance, resources planning, employee development plan, as well as to monitor the risk mitigation measures as defined. In case there is a major issue with possible impact to the company, the management will review the situation and propose actions to the Board of Directors, as well as, reporting progress of remedial actions. Each operational unit has implemented their on-going monitoring process to ensure their works are aligned with and achieved the business targets of the company, with consideration of risk assessment.

- The company has also established internal audit department to review the internal control activities according to the audit plan approved by the Audit Committee and monitor plans to ensure an effectiveness and adequacy of the internal control. Audit findings have been reported to the Audit Committee meetings whereby the Audit Committee reviewed and provided recommendations for improvement. As assigned by the Board of Directors, the Audit Committee shall review the overall management of the company's corporate governance practices. In 2020, the audit reports did not find significant deficiency in the internal control system. No violations of the SEC and the SET regulations or other related laws were found.

HEAD OF INTERNAL AUDIT

The company appointed Dr. Supachat Chairatanathavorn as Senior Internal Audit Department Manager and in charge of Secretary to the Audit Committee. The Audit Committee recognized that Dr. Supachat Chairatanathavorn has competency to perform the duty in leading the internal audit unit. He has continuously participated in relevant trainings to update knowledge and expertise. With his in-depth experiences in various aspects and qualifications, Dr. Supachat has extensively supported the company for business performance improvement.

Due to retirement of Dr. Supachat Chairatanathavorn, Senior Internal Audit Department Manager, Audit Committee Meeting No.3/2020 held on 11 August 2020, resolved to approve the appointment of Mr. Kittipong Jamsak as Internal Audit Department Manager, to succeed Dr. Supachat Chairatanathavorn, Senior Internal Audit Department Manager, effective from 1st November 2020. In the meantime, Dr. Supachat still remains in charge of Secretary to the Audit Committee. The Audit Committee viewed that Mr. Kittipong Jamsak, previously held as the company's Accounting Department Manager, possesses knowledge, capability and suitable qualification for the role of internal audit.

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

(Experience and educational qualification of the Internal Audit Department Manager are disclosed in the Attachment 3 — Information of Head of Internal Audit.)

2020 SIGNIFICANT RELATED TRANSACTIONS



The company had significant business transactions with subsidiary, associated and related parties as following:

Thousand THB

No.	Company	Product or Nature of Business	Nature of Relationship and Connected Transactions	Transaction between Companies	2019	2020
Transaction with parent company:						
1	AGC Inc. (Formerly Asahi Glass Co., Ltd.)	Production and distribution of glass	Major shareholder, 59 percent shareholding since 22 February 2017	Purchase of raw materials	20,178	32,836
				Purchase of asset	-	58,857
				Purchase of spare parts and other service expenses	1,448	631
				License and technical assistance service expenses	18,485	16,853
				Insurance premium and other operating expenses	4,197	7,263
				Service income, net	815	2,370
Transaction with subsidiaries:						
1	Advanced Biochemical (Thailand) Co., Ltd.	Production of Epichlorohydrin (ECH)	Subsidiary, 100 percent shareholding	Revenue from sale of goods	952,673	1,010,218
				Interest income	92,361	39,309
				Service income, net	150,378	142,563
				Revenue from sale of spare parts	10,521	10,429
				Purchase of raw materials	197,311	195,119
				Purchase of spare parts, services expenses and other manufacturing expenses	1,015	1,898
Transaction with associate company:						
1	Pimai Salt Co., Ltd.	Manufactured and trading of industrial salt	Vinythai holds 20.56 percent	Purchase of raw materials	402,900	374,919
Transaction with related company:						
1	PTT Global Chemical Public Co., Ltd. and PTT's subsidiaries	Production and distribution of petrochemical products, by-products and the provision of support services	Holds 24.98 percent of the company's share	Revenue from sale of goods	317,837	367,080
				Purchase of raw materials	4,537,253	3,968,962
				Purchase of spare parts, services expenses and other manufacturing expenses	74,610	35,446
				Interest on lease liabilities	-	1,055
2	AGC Inc.'s subsidiaries			Revenue from sale of goods	497,817	329,091
				Purchase of raw materials	16,662	97,040
				Purchase of spare parts, services expenses and other manufacturing expenses	9,381	4,261
				Insurance premium, commission expenses and other operating expenses	7,585	10,556

Remark:

The above related party transactions are in the ordinary course of business. The amount shown above were already included in the Statements of Income. There are additional explanations in Notes no. 5 to the 2020 financial statements as examined and reported by the auditor under his/her audit report dated 22 February 2021.



FINANCIAL REPORT

RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS ON DISCLOSURE OF THE FINANCIAL REPORT

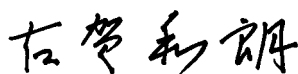
The Board of Directors recognizes its role and responsibilities to ensure that the company operates the business effectively and in compliance with objectives, strategies and policies, as well as the importance of conformity with all applicable rules and regulations in preparing financial statements for each financial year.

The financial statements of Vinythai Public Company Limited and its subsidiaries have been prepared with careful consideration, in compliance with the generally accepted accounting principles in Thailand, under Accounting Act B.E. 2543, the financial reporting requirement of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535, and other appropriate accounting policies. The company has sufficiently disclosed important information in the Notes to the financial statements, in a proper and fully transparent manner.

The Board of Directors provides and maintains appropriate and efficient internal control systems, ensuring that all accounting records are accurate, complete and sufficient to prevent fraud or mismanagement and to protect the company's assets.

In this regard, the Board of Directors has appointed the Audit Committee to review the financial reporting and internal control. The Audit Committee has monitored, evaluated, commented on, and reported to the Board of Directors the findings of the external auditor, KPMG Phoomchai Audit Limited, and the Internal Audit Department, including the key audit matters presented in the Independent Auditor's Report to the shareholders of Vinythai Public Company Limited, so as to ensure the development of a thorough risk management program as well as comply with major shareholders policy. The Committee also ensures that internal control systems are adequate, appropriate and in compliance with all relevant laws and regulations. The Audit Committee's Report is presented accordingly in this Annual Report.

The Board of Directors agrees that the overall internal control systems of the company are satisfactory. It further concurs that the financial statement of Vinythai Public Company Limited and its subsidiaries for the year ending 31 December 2020 has been prepared in accordance with the generally accepted accounting principles in Thailand and that it complies with all relevant rules and regulations.



Mr. Kazuaki Koga
Chairman of the Board of Directors



Mr. Hiroaki Sano
Managing Director

Vinythai Public Company Limited and its Subsidiaries

Financial statements for the year ended 31 December 2020 and Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Vinythai Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Vinythai Public Company Limited and its subsidiary (the "Group") and of Vinythai Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Recognition of deferred tax assets	
Refer to Notes 3(s) and 19 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The subsidiary has been granted privileges by the Board of Investment resulting the Group has recognised a deferred tax assets of Baht 210 million in the consolidated financial statement in respect of a portion of unused tax losses. The recoverability of recognized deferred assets is in part dependent on the subsidiary's ability to generate future taxable profits sufficient to utilize tax losses (before tax losses expire). Future taxable profits involves significant judgments and estimates by management and since the balance of the assets is significant, so this is a focus area in my audit.	My audit procedures in this area included, among others: - reconciling tax losses and expiry dates to tax report as well as inspecting promotional privileges granted with the promotional certificates. - checking the calculation of forecast future taxable profits, assessing the appropriateness of the forecasts by evaluating historical forecasting with actual results for the year, and comparing the key assumptions applied by management in forecast future taxable profits and business plan. - evaluating the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.

Vinythai Public Company Limited and its Subsidiaries

Financial statements for the year ended 31 December 2020 and Independent Auditor's Report

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Vinythai Public Company Limited and its Subsidiaries

Financial statements for the year ended 31 December 2020 and Independent Auditor's Report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Sirinuch Vimolsathit)
Certified Public Accountant
Registration No. 8413

KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2021

Vinythai Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
Assets	Note	31 December 2020	31 December 2019	31 December 2020	31 December 2019
(in Baht)					
Current assets					
Cash and cash equivalents	6	7,758,711,408	10,509,720,011	7,503,978,768	10,317,304,811
Trade and other current receivables	5, 22	2,641,261,495	2,375,521,896	2,227,361,530	1,749,458,091
Current portion of long-term loans to subsidiary	5	-	-	321,420,000	642,840,000
Inventories	7	1,136,186,928	1,128,126,182	839,899,814	760,561,011
Current tax assets	26	89,937,712	87,427,949	63,556,559	54,472,167
Other current financial assets		4,350,000,000	-	4,350,000,000	-
Other current assets	26	33,507,236	60,187,100	24,300,876	50,540,458
Total current assets		16,009,604,779	14,160,983,138	15,330,517,547	13,575,176,538
Non-current assets					
Investment in associate	8	358,254,479	357,031,317	397,678,320	397,678,320
Investments in subsidiary	9	-	-	1,454,097,446	1,454,097,446
Long-term loans to subsidiary	5	-	-	642,840,000	1,285,680,000
Property, plant and equipment	10	7,542,170,982	8,203,310,512	5,595,448,048	5,980,643,701
Right-of-use assets	11	1,888,976,229	-	1,427,744,567	-
Intangible assets	12	326,463,627	302,102,234	204,339,967	160,182,211
Deferred tax assets	19	275,400,825	510,621,831	65,896,831	310,955,910
Other non-current assets		500,000	24,191,323	500,000	19,664,111
Total non-current assets		10,391,766,142	9,397,257,217	9,788,545,179	9,608,901,699
Total assets		26,401,370,921	23,558,240,355	25,119,062,726	23,184,078,237

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

Vinythai Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
Liabilities and equity	Note	31 December 2020	31 December 2019	31 December 2020	31 December 2019
(in Baht)					
Current liabilities					
Trade and other current payables	5	1,710,997,153	1,240,344,587	1,493,086,817	1,043,137,903
Current portion of lease liabilities	5	157,141,136	-	86,952,560	
Current income tax payable		17,249,769	-	17,249,769	-
Other current liabilities		82,908,642	128,387,502	74,830,583	120,114,271
Total current liabilities		1,968,296,700	1,368,732,089	1,672,119,729	1,163,252,174
Non-current liabilities					
Lease liabilities	5	1,722,308,679	-	1,330,559,855	-
Other non-current payables	5	38,323,364	54,453,724	38,323,364	54,453,724
Provisions for employee benefits	13	316,055,936	295,051,703	316,055,936	295,051,703
Total non-current liabilities		2,076,687,979	349,505,427	1,684,939,155	349,505,427
Total liabilities		4,044,984,679	1,718,237,516	3,357,058,884	1,512,757,601
Equity					
Share capital:	14				
Authorised share capital		7,111,160,664	7,111,160,664	7,111,160,664	7,111,160,664
Issued and paid-up share capital		7,111,160,664	7,111,160,664	7,111,160,664	7,111,160,664
Share premium:					
Share premium on ordinary shares	14	1,303,712,790	1,303,712,790	1,303,712,790	1,303,712,790
Retained earnings:					
Appropriated					
Legal reserve	15	711,116,066	711,116,066	711,116,066	711,116,066
Unappropriated		13,260,016,372	12,740,255,623	12,639,892,429	12,545,481,650
Other components of equity	15	(29,619,650)	(26,242,304)	(3,878,107)	(150,534)
Total equity		22,356,386,242	21,840,002,839	21,762,003,842	21,671,320,636
Total liabilities and equity		26,401,370,921	23,558,240,355	25,119,062,726	23,184,078,237

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

Vinythai Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Revenue	5				
Revenue from sale of goods	16	16,906,592,153	18,605,092,962	13,724,834,690	14,328,047,064
Interest income		111,669,001	131,367,856	149,892,786	219,697,687
Other income, net		55,728,295	134,948,319	186,304,896	259,560,837
Total revenues	16	17,073,989,449	18,871,409,137	14,061,032,372	14,807,305,588
Expenses	5				
Cost of sales of goods	7	13,316,305,598	14,186,768,137	11,058,988,510	11,818,541,481
Distribution costs		804,854,722	875,575,512	553,997,799	549,664,903
Administrative expenses		429,526,081	522,893,162	386,043,097	428,310,999
Loss on fair value adjustment on derivatives		43,123,078	40,763,755	6,101,396	28,939,965
Loss on foreign currency differences on dissolution of subsidiary		-	13,043,036	-	-
Reversal of impairment losses on investment in subsidiaries	9	-	-	-	(1,448,648,521)
Total expenses		14,593,809,479	15,639,043,602	12,005,130,802	11,376,808,827
Profit from operating activities		2,480,179,970	3,232,365,535	2,055,901,570	3,430,496,761
Finance costs		(52,169,830)	-	(42,092,607)	-
Share of profit of associate accounted for using equity method	8	1,223,162	1,891,790	-	-
Profit before income tax expense		2,429,233,302	3,234,257,325	2,013,808,963	3,430,496,761
Tax income (expense)	19	(256,492,620)	401,170,902	(266,418,250)	201,747,743
Profit for the year		2,172,740,682	3,635,428,227	1,747,390,713	3,632,244,504

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

Vinythai Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
(in Baht)					
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		-	(5,168,477)	-	-
Reclassification of foreign currency differences on dissolution of subsidiary and indirect subsidiary		-	13,043,036	-	-
Gain (losses) on cash flow hedges	19	(3,377,346)	(47,780)	(3,727,573)	719,950
Total items that will be reclassified subsequently to profit or loss		(3,377,346)	7,826,779	(3,727,573)	719,950
<i>Items that will not be reclassified to profit or loss</i>					
Gains (losses) on remeasurements of defined benefit plans	19	6,290,888	(30,874,179)	6,290,888	(30,874,179)
Total items that will not be reclassified to profit or loss		6,290,888	(30,874,179)	6,290,888	(30,874,179)
Other comprehensive income (expense) for the year, net of tax		2,913,542	(23,047,400)	2,563,315	(30,154,229)
Total comprehensive income for the year		2,175,654,224	3,612,380,827	1,749,954,028	3,602,090,275
Profit attributable to:					
Owners of the parent		2,172,740,682	3,635,428,227	1,747,390,713	3,632,244,504
Profit for the year		2,172,740,682	3,635,428,227	1,747,390,713	3,632,244,504
Total comprehensive income attributable to:					
Owners of the parent		2,175,654,224	3,612,380,827	1,749,954,028	3,602,090,275
Total comprehensive income for the year		2,175,654,224	3,612,380,827	1,749,954,028	3,602,090,275
Basic earnings per share (in Baht)	20	1.83	3.07	1.47	3.06

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

Vinythai Public Company Limited and its Subsidiaries

Statement of changes in equity

		Consolidated financial statements								
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity			Total equity	
				Legal reserve	Unappropriated	Translation reserve	Hedging reserve	Differences on combination of business under common control		Total other components of equity
(in Baht)										
Year ended 31 December 2019										
	Balance at 1 January 2019	7,111,160,664	1,303,712,790	711,116,066	10,676,453,052	(7,874,559)	(1,073,802)	(25,120,722)	(34,069,083)	19,768,373,489
	Transactions with owners, recorded directly in equity									
	Distributions to owners of the parent									
	Dividends	-	-	-	(1,540,751,477)	-	-	-	-	(1,540,751,477)
	Total distributions to owners of the parent	-	-	-	(1,540,751,477)	-	-	-	-	(1,540,751,477)
	Comprehensive income for the year									
	Profit	-	-	-	3,635,428,227	-	-	-	-	3,635,428,227
	Other comprehensive income (loss)	-	-	-	(30,874,179)	7,874,559	(47,780)	-	7,826,779	(23,047,400)
	Total comprehensive income (loss) for the year	-	-	-	3,604,554,048	7,874,559	(47,780)	-	7,826,779	3,612,380,827
	Balance at 31 December 2019	7,111,160,664	1,303,712,790	711,116,066	12,740,255,623	-	(1,121,582)	(25,120,722)	(26,242,304)	21,840,002,839

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

Vinythai Public Company Limited and its Subsidiaries

Statement of changes in equity

		Consolidated financial statements							
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity			Total equity
	Note			Legal reserve	Unappropriated	Translation reserve	Hedging reserve	Differences on combination of business under common control	
(in Baht)									
Year ended 31 December 2020									
Balance at 1 January 2020		7,111,160,664	1,303,712,790	711,116,066	12,740,255,623	-	(1,121,582)	(25,120,722)	21,840,002,839
Transactions with owners, recorded directly in equity									
<i>Distributions to owners of the parent</i>									
Dividends	21	-	-	-	(1,659,270,821)	-	-	-	(1,659,270,821)
Total distributions to owners of the parent									
		-	-	-	(1,659,270,821)	-	-	-	(1,659,270,821)
Comprehensive income for the year									
Profit		-	-	-	2,172,740,682	-	-	-	2,172,740,682
Other comprehensive income (loss)		-	-	-	6,290,888	-	(3,377,346)	-	2,913,542
Total comprehensive income (loss) for the year									
		-	-	-	2,179,031,570	-	(3,377,346)	-	2,175,654,224
Balance at 31 December 2020									
		7,111,160,664	1,303,712,790	711,116,066	13,260,016,372	-	(4,498,928)	(25,120,722)	22,356,386,242

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

Vinythai Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements					
		Issued and paid-up share capital	Share premium	Retained earnings		Other component of equity	Total equity
				Legal reserve	Unappropriated		
(in Baht)							
Year ended 31 December 2019							
Balance at 1 January 2019		7,111,160,664	1,303,712,790	711,116,066	10,484,862,802	19,609,981,838	
Transactions with owners, recorded directly in equity							
Distributions to owners of the parent							
Dividends	21	-	-	-	(1,540,751,477)	(1,540,751,477)	
Total distributions to owners of the parent		-	-	-	(1,540,751,477)	(1,540,751,477)	
Comprehensive income for the year							
Profit		-	-	-	3,632,244,504	3,632,244,504	
Other comprehensive income (loss)		-	-	-	(30,874,179)	(30,154,229)	
Total comprehensive income (loss) for the year		-	-	-	3,601,370,325	3,602,090,275	
Balance at 31 December 2019		7,111,160,664	1,303,712,790	711,116,066	12,545,481,650	21,671,320,636	

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

Vinythai Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements					
		Issued and paid-up share capital	Share premium	Retained earnings		Other component of equity	Total equity
				Legal reserve	Unappropriated		
(in Baht)							
Year ended 31 December 2020							
Balance at 1 January 2020		7,111,160,664	1,303,712,790	711,116,066	12,545,481,650	(150,534)	21,671,320,636
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends	21	-	-	-	(1,659,270,822)	-	(1,659,270,822)
Total distributions to owners of the parent		-	-	-	(1,659,270,822)	-	(1,659,270,822)
Comprehensive income for the year							
Profit		-	-	-	1,747,390,713	-	1,747,390,713
Other comprehensive income (loss)		-	-	-	6,290,888	(3,727,573)	2,563,315
Total comprehensive income (loss) for the year		-	-	-	1,753,681,601	(3,727,573)	1,749,954,028
Balance at 31 December 2020		7,111,160,664	1,303,712,790	711,116,066	12,639,892,429	(3,878,107)	21,762,003,842

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

Vinythai Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
(in Baht)				
<i>Cash flows from operating activities</i>				
Profit for the year	2,172,740,682	3,635,428,227	1,747,390,713	3,632,244,504
<i>Adjustments to reconcile profit to cash receipt (payments)</i>				
Tax expense (income)	256,492,620	(401,170,902)	266,418,250	(201,747,743)
Finance cost	52,169,830	-	42,092,607	-
Depreciation and amortisation	1,502,586,218	1,281,909,942	1,087,372,246	942,171,463
Amortisation of arrangement fee for long-term loan	-	1,379,761	-	-
Impairment loss on plant and equipment	5,077,501	-	5,077,501	-
Reversal of impairment loss on investment in subsidiaries	-	-	-	(1,448,648,521)
Provisions for employee benefits	38,055,971	79,295,056	38,055,971	79,295,056
Unrealised (gain) loss on foreign exchange	1,157,946	(8,766,754)	(3,082,817)	(4,842,071)
Unrealised (gain) loss on fair value adjustment on derivatives	(10,385,154)	2,159,806	(7,289,627)	456,558
Share of profit of associate accounted for using equity method	(1,223,162)	(1,891,790)	-	-
(Reversal of) allowance for impairment loss on trade receivables	(10,000)	137,154	(10,000)	137,154
Losses on inventories devaluation	2,818,055	-	2,818,055	-
Loss on write-off of plant and equipment	13,136,692	48,580,530	13,136,692	48,398,459
Loss on disposals of plant and equipment	41,171,232	73,764,580	36,809,782	25,958,713
Foreign currency differences on dissolution of subsidiary and indirect subsidiary	-	13,043,036	-	-
Interest income	(111,669,001)	(131,367,856)	(149,892,786)	(219,697,687)
	3,962,119,430	4,592,500,790	3,078,896,587	2,853,725,885
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	(283,869,333)	324,577,724	(491,797,585)	177,077,587
Inventories	(10,878,801)	246,029,351	(82,156,858)	141,016,089
Current tax assets	(2,509,763)	(31,771,092)	(9,084,392)	31,334,952
Other current assets	(1,009,939)	67,056,280	(4,687,790)	(30,357,229)
Other non-current assets	-	(8,958,482)	-	(9,152,056)
Trade and other current payables	445,776,295	(339,723,857)	421,691,395	(214,467,291)
Other current liabilities	(45,478,857)	23,641,267	(45,283,688)	26,320,448
Employee benefit paid	(9,188,128)	(1,573,669)	(9,188,128)	(1,573,669)

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

Vinythai Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
(in Baht)					
Net cash generated from operating activities		4,054,960,904	4,871,778,312	2,858,389,541	2,973,924,716
Taxes paid		(4,750,231)	-	(4,750,231)	
Net cash flows from operating activities		4,050,210,673	4,871,778,312	2,853,639,310	2,973,924,716
Cash flows from investing activities					
Increase in other current financial assets		(4,350,000,000)	-	(4,350,000,000)	-
Proceeds from sale of plant and equipment		2,227,171	2,852,106	2,205,168	2,469,866
Acquisition of plant and equipment		(628,043,870)	(452,578,584)	(575,133,006)	(410,234,741)
Acquisition of intangible assets		(82,167,059)	(36,837,060)	(81,928,999)	(36,837,060)
Capital refund from subsidiary		-	-	-	108,166,910
Proceeds from repayment of short-term loan to subsidiary		-	-	-	1,200,000,000
Proceeds from repayment of long-term loan to subsidiary		-	-	964,260,000	595,246,667
Interest received		124,756,328	124,932,205	162,973,412	213,561,334
Net cash flows from (used in) investing activities		(4,933,227,430)	(361,631,333)	(3,877,623,425)	1,672,372,976
Cash flows from financing activities					
Payment of lease liabilities		(154,906,711)	-	(86,560,346)	-
Dividends paid to owners of the Company		(1,659,270,822)	(1,540,751,477)	(1,659,270,822)	(1,540,751,477)
Interest on lease liabilities		(52,169,830)	-	(42,092,607)	-
Total cash flows used in financing activities		(1,866,347,363)	(1,540,751,477)	(1,787,923,775)	(1,540,751,477)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(2,749,364,120)	2,969,395,502	(2,811,907,890)	3,105,546,215
Effect of exchange rate changes on cash and cash equivalents		(1,644,483)	142,734	(1,418,153)	37,561
Net increase (decrease) in cash and cash equivalents		(2,751,008,603)	2,969,538,236	(2,813,326,043)	3,105,583,776
Cash and cash equivalents at 1 January		10,509,720,011	7,540,181,775	10,317,304,811	7,211,721,035
Cash and cash equivalents at 31 December	6	7,758,711,408	10,509,720,011	7,503,978,768	10,317,304,811
Non-cash transactions					
Purchase of plant and equipment for which no cash has been paid		69,868,812	50,810,869	65,354,030	43,165,659
Purchase of intangible assets for which no cash has been paid		69,157,668	75,532,585	69,157,668	75,532,585
Increase in right-of-use assets during the period		31,518,592	-	30,214,693	

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

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Notes to the financial statements for the year ended 31 December 2020

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Notes to the financial statements for the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 22 February 2021.

1 General information

Vinythai Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in February 1995. The company’s registered office at No. 2, I-3 Road, Tambol Map Ta Phut, Amphur Muang, Rayong 21150.

The company’s major shareholders during the financial year were AGC Inc. (59% shareholding) which is incorporated in Japan and PTT Global Chemical Public Company Limited (25% shareholding) which is incorporated in Thailand.

The principal activities of the company and its subsidiary (“the Group”) are the manufacturing and distributing of Polyvinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Sodium Hydroxide (caustic soda) and Epichlorohydrin (ECH). Detail of the company’s subsidiary and associate as at 31 December 2020 and 2019 are given in notes 8 and 9.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS – Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from change to significant accounting policies in note 3.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the company’s functional currency.

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- 4(j) and 11 Leases:
 - whether an arrangement contains a lease;
 - whether the Group is reasonably certain to exercise extension options;
 - whether the Group exercise termination options; and
- 8 Equity-accounted investees: whether the Group has significant influence over an investee

(ii) Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- 4(j) Determining the incremental borrowing rate to measure lease liabilities;
- 13 Measurement of defined benefit obligations: key actuarial assumptions;
- 22 Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate; and
- 19 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised

3 Change in accounting policy

TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- do not recognise right-of-use assets and lease liabilities for leases of low-value assets;
- apply a single discount rate to a portfolio of leases with similar characteristics; and
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

<i>Impact from the adoption of TFRS 16</i>	Consolidated financial statements	Separate financial statements
<i>(in thousand Baht)</i>		
<i>At 1 January 2020</i>		
Increase in right-of-use assets	2,061,063	1,527,260
Increase in lease liabilities	(2,003,518)	(1,474,538)
Decrease in other current assets	(33,854)	(33,558)
Decrease in other non-current assets	(23,691)	(19,164)
<i>Measurement of lease liability</i>	Consolidated financial statements	Separate financial statements
<i>(in thousand Baht)</i>		
Operating lease commitment as disclosed at 31 December 2019	2,579,943	2,004,591
Recognition exemption for short-term leases	(6,669)	(6,669)
Recognition exemption for leases of low-value assets	(20,172)	(20,172)
	2,553,102	1,977,750
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	2,061,063	1,527,260
Prepaid rental expense recognised as at 31 December 2019	(57,545)	(52,722)
Lease liabilities recognised at 1 January 2020	2,003,518	1,474,538
Incremental borrowing rate (% per annum)	2.0 - 5.0	2.0 - 5.0

Right-of-use assets and lease liabilities shown above were presented as part of Vinyl and Biochemical segments.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(a) Basis of consolidation

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

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity - accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Transactions eliminated on consolidation

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

(b) Investments in subsidiary and associate

Investments in subsidiary and associate in the separate financial statements of the company are measured at cost less allowance for impairment losses.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Disposal of investments in the separate financial statements

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

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

(c) Foreign currencies

Foreign currency transactions

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

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

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

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of qualifying cash flow hedges to the extent that the hedge is effective are recognised in other comprehensive income.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

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Notes to the financial statements for the year ended 31 December 2020

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets — business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Financial assets — assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets — subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see note 4(d.6) for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial liabilities — classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See note 4(d.6) for financial liabilities designated as hedging instruments.

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Notes to the financial statements for the year ended 31 December 2020

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on nature of the item being hedged [see note 4(d.6)].

(d.6) Hedging

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

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Notes to the financial statements for the year ended 31 December 2020

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Accounting policies applicable before 1 January 2020

Derivatives

Derivative were recognised when they were exercised.

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Notes to the financial statements for the year ended 31 December 2020

(e) Cash and cash equivalents

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

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration.

A receivable is measured at transaction price less allowance for expected credit loss (*2019: allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

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

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

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

(h) Property, plant and equipment

Recognition and measurement

Owned assets

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

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

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

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

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

Depreciation

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

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

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

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

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

(i) Intangible assets

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

Subsequent expenditure

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

Amortisation

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

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Notes to the financial statements for the year ended 31 December 2020

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

Patents	15 - 20	years
Software licenses	5 - 10	years

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

(j) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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Notes to the financial statements for the year ended 31 December 2020

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Accounting policies applicable before 1 January 2020

As a lessee, assets held under other leases, except finance leases, were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(k) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties). Debt investments measured at FVOCI.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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Notes to the financial statements for the year ended 31 December 2020

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

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

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

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

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Notes to the financial statements for the year ended 31 December 2020

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss.

(l) Impairment of non-financial assets

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

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

Reversal of impairment

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

(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic

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benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

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

(o) Fair value measurement

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price — i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of fair value hierarchy at the end of the reporting period during which the change had occurred.

(p) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised as the services are provided. The related costs are recognised in profit or loss when they are incurred.

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For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

(q) Other income

Other income comprises interest income and others.

(r) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss as they accrue.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(s) Income tax

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

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

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Notes to the financial statements for the year ended 31 December 2020

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the differences relating to investments in subsidiary to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiary in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(f) Earnings per share

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

(u) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

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Notes to the financial statements for the year ended 31 December 2020

(v) Segment reporting

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

5 Related parties

Relationships with subsidiary and associate are described in notes 8 and 9. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of Incorporation / Nationality	Nature of relationships
AGC Inc.	Japan	Parent company and major shareholder, 59% shareholding
PTT Global Chemical Public Company Limited	Thailand	Major shareholder, 25% shareholding
AGC Chemicals (Thailand) Company Limited	Thailand	Related company
AGC Chemicals Vietnam Co., Ltd.	Vietnam	Related company
Global Green Chemical Public Company Limited	Thailand	Related company
GCM Polymer Trading DMCC	United Arab Emirates	Related company
PTT Public Company Limited	Thailand	Related company
PTT Asahi Chemical Company Limited	Thailand	Related company
Thai Tank Terminal Limited	Thailand	Related company
GC Logistics Solutions Company Limited	Thailand	Related company
AGC Technology Solutions Co., Ltd.	Japan	Related company
AGC Chemicals Europe, Ltd.	United Kingdom	Related company
GC-M PTA Co., Ltd.	Thailand	Related company
P.T. Asahimas Chemical	Indonesia	Related company
Key management personnel		Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

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Notes to the financial statements for the year ended 31 December 2020

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

Transactions	Pricing policies
Parent	
Purchase of raw materials	Market price
Purchase of fixed asset	Contract rate
Purchase of spare parts and other service expenses	At agreed price
License and technical assistance service expenses	Contract rate
Insurance premium and other operating expenses	Contract rate
Service income, net	Contract rate
Subsidiary	
Revenue from sale of goods	With reference to market price
Interest income	Contract rate and market rate
Service income, net	Contract price
Revenue from sale of spare parts	With reference to market price
Purchase of raw materials	Market price
Purchase of spare parts, service expenses and other manufacturing expenses	At agreed price and contract rate
Associate	
Purchase of raw materials	Contract price of salt which approximate production cost
Other related parties	
Revenue from sale of goods	With reference to market price
Purchase of raw materials	Average Ethylene market prices in major regions worldwide and market price
Purchase of spare parts, services expenses and other manufacturing expenses	Contract rate
Insurance premium, commission expenses and other operating expenses	Contract rate
Interest on lease liabilities	Market Rate

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Notes to the financial statements for the year ended 31 December 2020

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019

(in thousand Baht)

Parent

Purchase of raw materials	32,836	20,178	32,836	20,178
Purchase of fixed asset	58,857	-	58,857	-
Revenue from sale of goods	55,277	63,121	-	-
Purchase of spare parts and other service expenses	631	1,448	631	1,448
License and technical assistance service expenses	16,853	18,485	16,853	18,485
Insurance premium and other operating expenses	7,661	4,518	7,263	4,197
Service income, net	2,370	815	2,370	815

Subsidiary

Revenue from sale of goods	-	-	1,010,218	952,673
Interest income	-	-	39,309	92,361
Service income, net	-	-	142,563	150,378
Revenue from sale of spare parts	-	-	10,429	10,521
Purchase of raw materials	-	-	195,119	197,311
Purchase of spare parts, services expenses and other manufacturing expenses	-	-	1,898	1,015

Associate

Purchase of raw materials	374,919	402,900	374,919	402,900
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Other related parties

Revenue from sale of goods	874,424	961,453	696,171	815,654
Purchase of raw materials	4,409,774	4,826,156	4,066,002	4,553,915
Purchase of spare parts, services expenses and other manufacturing expenses	57,631	185,480	39,707	83,990
Insurance premium, commission expenses and other operating expenses	15,324	12,953	10,556	7,585
Interest on lease liabilities	10,321	-	1,055	-

Key management personnel

Key management personnel compensation				
Short-term employee benefit	80,385	75,450	80,385	75,450
Post-employment benefits and other long-term benefits	1,370	4,140	1,370	4,140
Total key management personnel compensation	81,755	79,590	81,755	79,590

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Notes to the financial statements for the year ended 31 December 2020

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

Trade accounts receivable	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(in thousand Baht)				
Parent	3,873	4,662	-	-
Subsidiary	-	-	110,457	83,019
Other related parties	72,941	93,483	59,957	81,163
Total	76,814	98,145	170,414	164,182

Other current receivables	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(in thousand Baht)				
Subsidiary	-	-	20,703	22,650
Total	-	-	20,703	22,650

Long-term loan to	Interest rate		Separate financial statements			
	31 December 2019	31 December 2020	1 January 2020	Increase	Decrease	31 December 2020
(% per annum)			(in thousand Baht)			
	THBFIX	THBFIX				
Subsidiary	+fixed rate	+fixed rate	1,928,520	-	(964,260)	964,260
Total			1,928,520			964,260

Trade accounts payable	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(in thousand Baht)				
Subsidiary	-	-	17,834	18,464
Associate	44,075	32,824	44,075	32,824
Other related parties	546,023	344,338	516,337	323,488
Total	590,098	377,162	578,246	374,776

Other current payables	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(in thousand Baht)				
Parent	25,149	23,750	25,149	23,750
Other related parties	5,620	7,025	4,661	5,996
Total	30,769	30,775	29,810	29,746

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Notes to the financial statements for the year ended 31 December 2020

<i>Current portion of lease liabilities</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Other related parties	101,351	-	32,723	-
Total	101,351	-	32,723	-

<i>Other current liabilities</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Other related parties	6,421	7,432	-	-
Total	6,421	7,432	-	-

<i>Lease liabilities</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Other related parties	370,100	-	5,612	-
Total	370,100	-	5,612	-

<i>Other non-current payables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Parent	35,151	54,454	35,151	54,454
Total	35,151	54,454	35,151	54,454

Significant agreements with related parties

Long-term loans to subsidiary

On 22 July 2010, the company has entered into a loan agreement of Baht 4,500 million with its subsidiary, Advanced Biochemical (Thailand) Company Limited ("ABT"), to finance the investment project. The loan is repayable in 14 semi-annual instalments commencing from 2013 carrying interest at a floating rate based on THBFIX plus a certain percentage. The subsidiary may prepay all or any part of any loan with the amount and condition as specified in the loan agreements. On 25 May 2017, the company entered into an amendment agreement to postpone the repayment date to be repaid in June 2019 of Baht 273.8 million and the remaining amount will be repaid at Baht 321.4 million each from December 2019 to December 2022.

Lease agreement

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

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Notes to the financial statements for the year ended 31 December 2020

Right of way and service agreement

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

Consultancy service agreements

On 19 July 2017 and 22 September 2017, the company and its subsidiary entered into consultancy service agreements with AGC Inc., whereby the parent company agrees to provide consultancy and advice for the improvement of plant management. The company and its subsidiary shall pay the service fee as specified in the agreements. This agreement is valid until 31 December 2017 and shall be automatically extended for successive period of 1 year unless any of the parties gives a written notice to the other party by 3 months prior to the expiration of the agreement.

Distributorship agreements

On 11 January 2018 and 30 March 2018, a subsidiary has entered into distributorship agreement with AGC Inc. and AGC Chemicals Europe, Ltd., respectively, to be appointed as its distributor in Japan and Europe in respectively for the period of 2 years with the price as stipulated in the agreement. These agreements shall be automatically renewed for another consecutive 1 year unless terminated by either party a written notice at least 6 months in advance. On 1 April 2020, a subsidiary has renewed distributorship agreement with AGC Chemicals Europe, Ltd., to be appointed as its distributor Europe in respectively for the period of 21 months with the price as stipulated in the agreement. This agreement shall be automatically renewed for another consecutive 1 year unless terminated by either party a written notice at least 6 months in advance.

System usage agreement

On 22 November 2018, the company entered into system usage agreement with AGC Inc., whereby the parent company agreed to enable the company to use computer system for enterprise resources planning including supply chain and project managements. In consideration thereof, the company agreed to pay service fees including maintenance cost at the amounts as stipulated in the agreement. This agreement became effective retroactively since 1 July 2018 until 31 December 2018 and shall be automatically renewed for another 1 year unless terminated by either party a written notice at least 60 days before the expiration date.

Safety data sheet service agreement

On 1 March 2019, the company entered into service agreement with AGC Inc. ("AGC"), whereby the parent company agreed to prepare the safety data sheets of the company and its subsidiary's products via AGC's licensed software. In consideration thereof, the company agreed to pay service fees at the amounts as stipulated in the agreement. The term of this agreement is for a period of 3 years commencing on 1 April 2019 and shall be automatically renewed for another consecutive 1 year unless terminated by either party by giving the other party a written notice at least 30 days in advance.

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Notes to the financial statements for the year ended 31 December 2020

Chlorine supply agreement

On 1 November 2019, the company entered into the chlorine supply agreement with AGC Chemicals (Thailand) Company Limited ("ACTH"), a subsidiary of AGC Inc., whereby the company agreed to purchase chlorine gas from ACTH at the price specified in the agreement. The term of this agreement is from 1 November 2019 to 31 December 2022 and shall be automatically extended annually for a successive 1 year period unless terminated by either party by giving the other party a written notice at least 6 months in advance before the initial term or any subsequent term.

Service agreement

On 15 January 2020, a subsidiary entered into service agreement with AGC Asia Pacific (India) Pvt. Ltd., whereby the latter agreed to provide marketing services in India. The term of this agreement is for a period of 1 year commencing on 1 April 2020 and shall be automatically renewed for another consecutive 1 year unless terminated by either party by giving the other party a written notice at least 90 days in advance.

Sub-license agreement

On 10 June 2020, the company entered into sub-license contract with AGC Inc., for the purpose of construction of a new plant and expansion of production capacity. The company shall pay the service fee as specified in the agreements. This agreement is for a period of 5 years after the effective date and shall automatically terminate at the date of expiry.

Caustic soda supply agreements

On 8 and 15 October 2020, the company entered into the caustic supply agreements with PTT Global Chemical Public Company Limited ("PTTGC") whereby the company agreed to supply caustic soda by tank car and pipeline to PTTGC at the price specified in the agreement. These agreements became effective retroactively since 1 May 2020 until 30 June 2023 and 1 May 2020 until 31 March 2030, respectively. These agreements shall be terminated when either party make a default in its obligations under agreement.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Cash at banks - current accounts	35,233	325,834	34,219	324,814
Cash at banks - savings accounts	2,223,478	3,133,886	1,969,760	2,942,491
Highly liquid short-term investments	5,500,000	7,050,000	5,500,000	7,050,000
Total	7,758,711	10,509,720	7,503,979	10,317,305

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Finished goods	624,015	599,935	434,853	383,815
Raw materials	200,780	188,969	151,736	128,424
Packaging	8,882	8,827	8,524	8,375
Spare parts	263,730	270,729	233,776	239,947
Goods in transit	41,598	59,666	13,829	-
Total	1,139,005	1,128,126	842,718	760,561
Less allowance for decline in value	(2,818)	-	(2,818)	-
Net	1,136,187	1,128,126	839,900	760,561
Inventories recognised in cost of sale of goods:				
- Cost	13,313,488	14,186,768	11,056,171	11,818,541
- Write-down to net realisable value	2,818	-	2,818	-
Net	13,316,306	14,186,768	11,058,989	11,818,541

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

8 Investment in associate

	Consolidated financial statements							
	Ownership interest		Paid-up capital		Cost		Equity	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)						(in thousand Baht)	
Associate								
Pimai Salt Company Limited	20.56	20.56	268,640	268,640	397,678	397,678	358,254	357,031
							-	-
	Separate financial statements							
	Ownership interest		Paid-up capital		Cost		Impairment	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)						(in thousand Baht)	
Associate								
Pimai Salt Company Limited	20.56	20.56	268,640	268,640	397,678	397,678	-	397,678
							-	-

The company's associate was incorporated and mainly operated in Thailand. The principal activity of the associate is industrial salt production. None of the Group's associate is publicly listed and consequently does not have published price quotation.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Immaterial associate

The following is summarised financial information for the Group's interest in immaterial associate based on the amounts reported in the Group's consolidated financial statements:

	Immaterial associate	
	2020	2019
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial associates	358,254	357,031
Group's share of profit from continuing operations	1,223	1,892

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

9 Investment in subsidiary

		Separate financial statements													
		Type of business	Country of operation	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
				2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
				(%)		(in million Baht)				(in thousand Baht)					
Advanced Biochemical (Thailand) Company Limited	Manufacturing and trading of chemical products	Thailand	100	100	1,500	1,500	1,454,097	1,454,097	-	-	1,454,097	1,454,097	-	-	

In the separate financial statements during the year ended 31 December 2019, the company recorded reversal of allowance for impairment loss on investment in Advanced Biochemical (Thailand) Company Limited ("ABT") of Baht 1,454.1 million as the recoverable amount of investment in ABT was more than its carrying amount.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

10 Property, plant and equipment

	Consolidated financial statements					
	Lease land improvement	Building and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicle	Asset under construction and machinery under installation
						Total
<i>(in thousand Baht)</i>						
Cost						
At 1 January 2019	586,471	2,136,574	23,087,076	286,160	2,097	26,661,479
Additions	1,427	60,384	66,623	8,037	-	467,205
Transfers	3,564	34,339	403,411	12,011	12,333	-
Disposals	(2,596)	(7,061)	(366,039)	(16,984)	(598)	(425,377)
At 31 December 2019 and 1 January 2020	588,866	2,224,236	23,191,071	289,224	13,832	26,703,307
Additions	2,551	38,268	243,497	10,476	4,830	647,183
Transfers	5,277	43,249	286,184	3,767	2,070	-
Disposals	(200)	(47,965)	(244,087)	(3,132)	-	(295,384)
At 31 December 2020	596,494	2,257,788	23,476,665	300,335	20,732	27,055,106
Depreciation and impairment loss						
At 1 January 2019	289,658	855,678	16,159,741	250,820	750	17,556,647
Depreciation charge for the year	11,547	68,970	1,150,293	11,855	864	1,243,529
Disposals	(1,215)	(3,288)	(280,031)	(15,048)	(598)	(300,180)
At 31 December 2019 and 1 January 2020	299,990	921,360	17,030,003	247,627	1,016	18,499,996
Depreciation charge for the year	11,835	72,319	1,148,252	12,508	1,796	1,246,710
Impairment losses	-	1,196	3,882	-	-	5,078
Disposals	(112)	(21,397)	(214,837)	(2,503)	-	(238,849)
At 31 December 2020	311,713	973,478	17,967,300	257,632	2,812	19,512,935
Net book value						
At 31 December 2019	288,876	1,302,876	6,161,068	41,597	12,816	8,203,311
At 31 December 2020	284,781	1,284,310	5,509,365	42,703	17,920	7,542,171

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2019

	Separate financial statements					
	Lease land improvement	Building and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicle	Asset under construction and machinery under installation
						Total
Cost						
At 1 January 2019	586,471	1,586,723	19,036,264	277,414	2,097	510,598
Additions	1,427	59,630	57,636	7,981	-	294,378
Transfers	3,564	33,979	352,922	11,931	12,333	(414,729)
Disposals	(2,596)	(7,061)	(269,404)	(16,984)	(598)	(328,742)
At 31 December 2019 and 1 January 2020	588,866	1,673,271	19,177,418	280,342	13,832	358,148
Additions	2,551	37,891	207,268	10,457	4,830	334,441
Transfers	5,277	40,618	251,292	3,767	2,070	(303,024)
Disposals	(200)	(42,965)	(241,208)	(3,132)	-	-
At 31 December 2020	596,494	1,708,815	19,394,770	291,434	20,732	389,565
						22,401,810
Depreciation and impairment loss						
At 1 January 2019	289,658	710,261	14,191,522	247,131	750	-
Depreciation charge for the year	11,547	47,637	853,695	10,082	864	-
Disposals	(1,215)	(3,288)	(231,765)	(15,048)	(598)	-
At 31 December 2019 and 1 January 2020	299,990	754,610	14,813,452	242,165	1,016	-
Depreciation charge for the year	11,835	51,005	850,042	10,727	1,796	-
Impairment losses	-	1,196	3,882	-	-	-
Disposals	(112)	(20,040)	(212,699)	(2,503)	-	-
At 31 December 2020	311,713	786,771	15,454,677	250,389	2,812	-
						16,806,362
Net book value						
At 31 December 2019	288,876	918,661	4,363,966	38,177	12,816	358,148
At 31 December 2020	284,781	922,044	3,940,093	41,045	17,920	389,565
						5,980,644
						5,595,448

(in thousand Baht)

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

The gross amount of the Group's and the company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 3,903.1 million and Baht 3,882.7 million, respectively (2019: Baht 3,898.1 million and Baht 3,877.6 million, respectively).

11 Leases

As a lessee

At 31 December 2020	Consolidated financial statements	Separate financial statements
(in thousand Baht)		
<i>Right-of-use assets</i>		
Lease land	1,346,639	1,318,669
Building and building improvement	508,168	75,424
Machinery and equipment	4,815	4,815
Furniture, fixtures and office equipment	4,251	4,251
Vehicle	25,103	24,586
Total	1,888,976	1,427,745

In 2020, additions to the right-of-use assets of the Group and the company were Baht 31.5 million and Baht 30.2 million, respectively.

The Group leased land, inventory tanks, office premise, vehicles, machinery and office equipment for periods ranging from 1.7 years to 30 years and made fixed payments during the lease term. The rental is payable monthly as specified in the contract.

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(in thousand Baht)				

Amounts recognised in profit or loss

Depreciation of right-of-use assets:

- Lease land	75,033	-	73,431	-
- Building and building improvement	110,661	-	38,491	-
- Machinery and equipment	1,344	-	1,344	-
- Furniture, fixtures and office equipment	2,230	-	2,230	-
- Vehicle	13,657	-	13,554	-
Interest on lease liabilities	52,170	-	42,093	-
Expenses relating to short-term leases	3,186	-	3,186	-
Expenses relating to leases of low-value assets	41,503	-	39,180	-
Lease expense	-	216,502	-	132,668

In 2020, total cash outflow for lease liabilities of the Group and the company were Baht 207.1 million and Baht 128.7 million, respectively.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

12 Intangible assets

	Consolidated financial statements			
	Patents	Software licenses	Software under installation	Total
<i>(in thousand Baht)</i>				
<i>Cost</i>				
At 1 January 2019	356,245	23,938	20,368	400,551
Additions	-	110,127	7,566	117,693
Transfers	-	20,269	(20,269)	-
Disposals	-	(4,106)	-	(4,106)
At 31 December 2019 and 1 January 2020	356,245	150,228	7,665	514,138
Additions	-	29,250	48,064	77,314
Transfers	-	1,387	(1,387)	-
At 31 December 2020	356,245	180,865	54,342	591,452
<i>Amortisation</i>				
At 1 January 2019	156,681	21,080	-	177,761
Amortisation charge for the year	22,821	15,560	-	38,381
Disposals	-	(4,106)	-	(4,106)
At 31 December 2019 and 1 January 2020	179,502	32,534	-	212,036
Amortisation charge for the year	22,821	30,131	-	52,952
At 31 December 2020	202,323	62,665	-	264,988
<i>Net book value</i>				
At 31 December 2019	176,743	117,694	7,665	302,102
At 31 December 2020	153,922	118,200	54,342	326,464

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

	Separate financial statements			
	Patents	Software licenses	Software under installation	Total
(in thousand Baht)				
Cost				
At 1 January 2019	55,729	23,938	20,368	100,035
Additions	-	110,127	7,566	117,693
Transfer	-	20,269	(20,269)	-
Disposals	-	(4,106)	-	(4,106)
At 31 December 2019 and 1 January 2020	55,729	150,228	7,665	213,622
Additions	-	29,250	47,826	77,076
Transfer	-	1,387	(1,387)	-
At 31 December 2020	55,729	180,865	54,104	290,698
Amortisation				
At 1 January 2019	18,120	21,080	-	39,200
Amortisation charge for the year	2,786	15,560	-	18,346
Disposals	-	(4,106)	-	(4,106)
At 31 December 2019 and 1 January 2020	20,906	32,534	-	53,440
Amortisation charge for the year	2,787	30,131	-	32,918
At 31 December 2020	23,693	62,665	-	86,358
Net book value				
At 31 December 2019	34,823	117,694	7,665	160,182
At 31 December 2020	32,036	118,200	54,104	204,340

13 Provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(in thousand Baht)				
Post-employment benefits	298,943	285,992	298,943	285,992
Other long-term employment benefits	17,113	9,060	17,113	9,060
Total	316,056	295,052	316,056	295,052

Defined benefit plan

The Group operates defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
At 1 January	295,052	178,738	295,052	178,738
Included in profit or loss				
Current service cost	26,742	19,995	26,742	19,995
Past service cost	6,025	51,821	6,025	51,821
Interest on obligation	5,289	7,479	5,289	7,479
	38,056	79,295	38,056	79,295
Included in other comprehensive income				
Actuarial (gain) loss				
- Demographic assumptions	(40)	14,250	(40)	14,250
- Financial assumptions	(4,822)	31,766	(4,822)	31,766
- Experience adjustment	(3,002)	(7,423)	(3,002)	(7,423)
	(7,864)	38,593	(7,864)	38,593
Benefits paid	(9,188)	(1,574)	(9,188)	(1,574)
At 31 December	316,056	295,052	316,056	295,052

<i>Principle actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(%)</i>				
Discount rate	1.89	1.80	1.89	1.80
Future salary growth	6.25	6.33	6.25	6.33
Employee turnover	3.00	2.75	3.00	2.75

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 16 years (2019: 16 years).

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect to the defined benefit obligation	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease

(in thousand Baht)

At 31 December 2020

Discount rate (1% movement)	(32,371)	38,028	(32,371)	38,028
Future salary growth (1% movement)	35,286	(30,670)	35,286	(30,670)
Employee turnover (10% movement)	(3,061)	3,160	(3,061)	3,160

At 31 December 2019

Discount rate (1% movement)	(32,161)	37,966	(32,161)	37,966
Future salary growth (1% movement)	33,775	(29,320)	33,775	(29,320)
Employee turnover (10% movement)	(3,119)	3,220	(3,119)	3,220

14 Share capital

	Par value per share	2020		2019	
		Number	Amount	Number	Amount

(in Baht) (thousand shares / in thousand Baht)

Authorised shares at 31 December		<u>1,185,193</u>	<u>7,111,161</u>	<u>1,185,193</u>	<u>7,111,161</u>
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Issued and paid-up shares

At 1 January					
- ordinary shares	6	<u>1,185,193</u>	<u>7,111,161</u>	<u>1,185,193</u>	<u>7,111,161</u>

At 31 December					
- ordinary shares	6	<u>1,185,193</u>	<u>7,111,161</u>	<u>1,185,193</u>	<u>7,111,161</u>

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

Share premium

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

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

15 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

Other components of equity

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

16 Segment information and disaggregation of revenue

Management determined that the Group operates in two reportable segments, which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Vinyl segment
- Segment 2 Biochemical segment

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

For the year ended 31 December	Consolidated financial statements					
	Vinyl segment		Biochemical segment		Total reportable segments	
	2020	2019	2020	2019	2020	2019
(in thousand Baht)						
<i>Information about reportable segments</i>						
External revenue	12,714,617	13,375,374	4,191,975	5,229,719	16,906,592	18,605,093
Inter-segment revenue	1,010,218	952,673	131,748	129,683	1,141,966	1,082,356
Total revenue	13,724,835	14,328,047	4,323,723	5,359,402	18,048,558	19,687,449
Other revenue					167,397	266,316
Elimination of inter-segment revenue					(1,141,966)	(1,082,356)
Consolidated revenue					17,073,989	18,871,409
<i>Disaggregation of revenue</i>						
<i>Major products:</i>						
Polyvinyl Chloride (PVC)	9,284,349	9,037,343	-	-	9,284,349	9,037,343
Sodium Hydroxide (caustic soda)	2,015,425	2,753,099	-	-	2,015,425	2,753,099
Vinyl Chloride Monomer (VCM)	1,332,930	1,449,862	-	-	1,332,930	1,449,862
Epichlorohydrin (ECH)	-	-	4,191,975	5,229,719	4,191,975	5,229,719
Others	81,913	135,070	-	-	81,913	135,070
Total revenue	12,714,617	13,375,374	4,191,975	5,229,719	16,906,592	18,605,093
<i>Timing of revenue recognition:</i>						
At a point in time	12,714,617	13,375,374	4,191,975	5,229,719	16,906,592	18,605,093
Finance costs	42,093	-	10,077	-	52,170	-
Depreciation and amortisation	958,322	942,171	341,339	339,739	1,299,661	1,281,910
Share of profit of investments in associates	1,223	1,892	-	-	1,223	1,892
Tax (income) expense	266,418	(201,748)	(9,925)	(199,423)	256,493	(401,171)
Segment profit before income tax	2,015,032	3,437,837	408,133	1,264,272	2,423,165	4,702,109
Elimination of inter-segment (profit) loss					6,068	(1,467,852)
Consolidated profit before income tax					2,429,233	3,234,257
Capital expenditure	597,270	421,051	49,744	46,154	647,014	467,205
Segment assets	22,530,121	19,655,145	3,871,250	3,903,095	26,401,371	23,558,240
Segment liabilities	3,339,225	1,494,293	705,760	223,945	4,044,985	1,718,238

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

For the year ended 31 December	Separate financial statements	
	2020	2019
<i>(in thousand Baht)</i>		
<i>Disaggregation of revenue</i>		
<i>Major products:</i>		
Polyvinyl Chloride (PVC)	9,284,349	9,037,343
Sodium Hydroxide (caustic soda)	2,384,378	3,098,007
Vinyl Chloride Monomer (VCM)	1,332,930	1,449,862
Others	723,178	742,835
Total revenue	13,724,835	14,328,047
<i>Timing of revenue recognition:</i>		
At a point in time	13,724,835	14,328,047

Geographical information

The Group operates and has production principally in Thailand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based principally in Thailand.

	Revenues	
	2020	2019
<i>(in thousand Baht)</i>		
Thailand	10,029,251	10,828,227
India	1,447,979	2,240,200
South Korea	968,206	1,064,653
China	770,230	777,543
Vietnam	751,328	802,565
Malaysia	499,195	511,505
United States	433,315	205,330
Indonesia	359,039	439,477
Taiwan	354,200	417,069
Bangladesh	217,435	268,551
Others	1,243,811	1,316,289
Total	17,073,989	18,871,409

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Major customer

Revenues of the Group's segment one of two customers represents approximately Baht 2,872.7 million (2019: Baht 3,005.3 million) of the Group's total revenues.

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	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 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
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	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	Granted
4. Date on which the income is first derived from operations	1 January 2007	1 August 2008	1 July 2012	7 February 2012

Year ended 31 December	Consolidated financial statements					
	2020			2019		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted Business	Total
(in thousand Baht)						
Export sales	266,972	6,565,520	6,832,492	4,341,735	3,661,683	8,003,418
Local sales	369,297	9,704,803	10,074,100	1,678,122	8,923,553	10,601,675
Total revenues	636,269	16,270,323	16,906,592	6,019,857	12,585,236	18,605,093

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Year ended 31 December	Separate financial statements					
	2020			2019		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted Business	Total
<i>(in thousand Baht)</i>						
Export sales	-	3,431,661	3,431,661	-	3,661,683	3,661,683
Local sales	801,382	9,491,792	10,293,174	1,742,811	8,923,553	10,666,364
Total revenues	801,382	12,923,453	13,724,835	1,742,811	12,585,236	14,328,047

17 Employee benefit expense

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Wages and salaries	547,628	527,139	547,628	527,139
Bonus	139,413	200,874	139,413	200,874
Director's remuneration	20,287	23,700	20,287	23,700
Defined contribution plans	27,931	27,773	27,931	27,773
Defined benefit plans	38,056	79,295	38,056	79,295
Others	93,196	84,518	93,183	84,514
Total	866,511	943,299	866,498	943,295

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 5% to 8% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

18 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Changes in inventories of finished goods	(24,080)	212,737	(51,038)	100,481
Raw materials and consumables used	7,923,266	8,287,960	6,180,741	6,545,642
Electricity and fuel expense	3,257,012	3,519,275	3,118,446	3,356,772
Depreciation and amortisation	1,502,586	1,281,910	1,087,372	942,171
Employee benefit expenses	866,511	943,299	866,498	943,295
Transportation expenses	399,175	429,915	256,266	257,124
Lease expense	44,689	216,502	42,366	132,668
Others	581,527	693,639	498,378	518,364
Total cost of sales of goods, distribution costs and administrative expenses	14,550,686	15,585,237	11,999,029	12,796,517

19 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
<i>Current tax expense</i>				
Current year	22,000	-	22,000	-
	22,000	-	22,000	-
<i>Deferred tax expense</i>				
Movements in temporary differences	(1,107)	(15,571)	(1,182)	(16,148)
Utilisation of previously recognised tax losses	295,599	-	245,600	-
Recognition of previously unrecognised tax losses	(59,999)	(385,600)	-	(185,600)
	234,493	(401,171)	244,418	(201,748)
Total	256,493	(401,171)	266,418	(201,748)

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Income tax	Consolidated financial statement					
	2020			2019		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax income	Net of tax

(in thousand Baht)

Recognised in other comprehensive income

Cash flow hedges reserve	(4,221)	844	(3,377)	(111)	63	(48)
Defined benefit plan actuarial gains (losses)	7,864	(1,573)	6,291	(38,592)	7,718	(30,874)
Total	3,643	(729)	2,914	(38,703)	7,781	(30,922)

Income tax	Separate financial statement					
	2020			2019		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of tax

(in thousand Baht)

Recognised in other comprehensive income

Cash flow hedges reserve	(4,661)	933	(3,728)	900	(180)	720
Defined benefit plan actuarial gains (losses)	7,864	(1,573)	6,291	(38,592)	7,718	(30,874)
Total	3,203	(640)	2,563	(37,692)	7,538	(30,154)

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Reconciliation of effective tax rate	Consolidated financial statements				Separate financial statements			
	2020		2019		2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		2,429,233		3,234,257		2,013,809		3,430,497
Income tax using the Thai corporation tax rate	20	485,847	20	646,851	20	402,762	20	686,099
Income not subject to tax from promotional privileges		(20,266)		(236,614)		-		-
Expenses additionally deductible for tax purposes		(80,162)		(5,175)		(78,704)		(6,080)
Expenses additionally deductible from promotional privileges		(77,936)		(153,973)		(65,215)		(141,269)
Expenses not deductible for tax purposes		4,265		5,967		3,678		5,922
Recognition of previously unrecognised tax losses		(59,999)		(385,600)		-		(185,600)
Utilisation of previously unrecognised deferred tax assets		4,272		(272,627)		3,425		(560,820)
Others		472		-		472		-
Total	11	256,493	(12)	(401,171)	13	266,418	(6)	(201,748)

Deferred tax At 31 December	Consolidated financial statements				Separate financial statements			
	Assets		Liabilities		Assets		Liabilities	
	2020	2019	2020	2019	2020	2019	2020	2019
	(in thousand Baht)							
Total	280,127	511,052	(4,726)	(430)	70,127	311,052	(4,230)	(96)
Set off of tax	(4,726)	(430)	4,726	430	(4,230)	(96)	4,230	96
Net deferred tax assets	275,401	510,622	-	-	65,897	310,956	-	-

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Deferred tax	Consolidated financial statements			
	At 1 January	(Charged) / credited to		At 31 December
		Profit or loss	Other comprehensive income	
(in thousand Baht)				
2020				
Deferred tax assets				
Allowance for impairment loss on assets	6,415	(88)	-	6,327
Employee benefit obligations	59,010	5,774	(1,573)	63,211
Loss carry forward	445,600	(235,600)	-	210,000
Allowance for expected credit loss	27	(2)	-	25
Allowance for decline in value	-	564	-	564
Total	511,052	(229,352)	(1,573)	280,127
Deferred tax liabilities				
Derivatives	(430)	(2,439)	845	(2,024)
Right-of-use assets	-	(2,702)	-	(2,702)
Total	(430)	(5,141)	845	(4,726)
Net	510,622	(234,493)	(728)	275,401
2019				
Deferred tax assets				
Allowance for impairment loss on assets	5,963	452	-	6,415
Employee benefit obligations	35,747	15,545	7,718	59,010
Loss carry forward	60,000	385,600	-	445,600
Allowance for doubtful account of trade accounts receivable	-	27	-	27
Total	101,710	401,624	7,718	511,052
Deferred tax liability				
Derivatives	(40)	(453)	63	(430)
Total	(40)	(453)	63	(430)
Net	101,670	401,171	7,781	510,622

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Deferred tax	Separate financial statements			
	At 1 January	(Charged) / credited to		At 31 December
		Profit or loss	Other comprehensive income	
(in thousand Baht)				
2020				
Deferred tax assets				
Allowance for impairment loss on assets	6,415	(88)	-	6,327
Employee benefit obligations	59,010	5,774	(1,573)	63,211
Loss carry forward	245,600	(245,600)	-	-
Allowance for expected credit loss	27	(2)	-	25
Allowance for decline in value	-	564	-	564
Total	311,052	(239,352)	(1,573)	70,127
Deferred tax liabilities				
Derivatives	(96)	(2,223)	932	(1,387)
Right-of-use assets	-	(2,843)	-	(2,843)
Total	(96)	(5,066)	932	(4,230)
Net	310,956	(244,418)	(641)	65,897
2019				
Deferred tax assets				
Allowance for impairment loss on assets	5,963	452	-	6,415
Employee benefit obligations	35,747	15,545	7,718	59,010
Loss carry forward	60,000	185,600	-	245,600
Allowance for doubtful account of trade accounts receivable	-	27	-	27
Total	101,710	201,624	7,718	311,052
Deferred tax liability				
Derivatives	(40)	124	(180)	(96)
Total	(40)	124	(180)	(96)
Net	101,670	201,748	7,538	310,956

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Unrecognised deferred tax assets	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Allowance for doubtful account of trade accounts receivable	86,171	86,171	86,171	86,171
Provision for trade discount	14,417	14,179	14,417	14,179
Loss carry forward	202,592	272,978	-	10,387
Others	-	(14,421)	-	(13,574)
Total	303,180	358,907	100,588	97,163

The tax losses in the consolidated financial statements will be expired in 2025. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

As of 31 December 2020 and 2019, the Group has been granted privileges by the Board of Investment resulting the Group has recognised deferred tax assets in respect of a portion of unused tax losses. The management believes that it is probable that future taxable profits arising from the improvement of the Group's operations and the expiration of double deducting expenses for certain promotional certificates will be available against which such losses can be used and, therefore, the related deferred tax asset can be realised.

20 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht / thousand shares)</i>				
Profit attributable to ordinary shareholders of the Company (basic)	2,172,741	3,635,428	1,747,391	3,632,245
Number of ordinary shares outstanding	1,185,193	1,185,193	1,185,193	1,185,193
Basic earnings per share <i>(in Baht)</i>	1.83	3.07	1.47	3.06

21 Dividends

The Board of directors and shareholders of the company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share	Amount
			<i>(Baht)</i>	<i>(in million Baht)</i>
<i>2020</i>				
Interim dividend	23 April 2020	May 2020	1.4	1,659.3
<i>2019</i>				
Annual dividend	25 April 2019	May 2019	1.3	1,540.8

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

22 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements		Separate financial statements		
	Carrying amount	Fair value	Carrying amount		Fair value
	Hedging instruments	Level 2	Hedging instruments	Amortised cost - net	Level 2

(in thousand Baht)

At 31 December 2020

Financial assets

Loan to subsidiary	-	-	-	964,260	964,479
Forward exchange contract used for hedging	10,120	10,120	6,934	-	6,934

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value level 2	Carrying amount	Fair value level 2

(in thousand Baht)

At 31 December 2019

Financial assets measured at fair value

Derivatives (forward contracts)	2,151	2,151	481	481
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Financial assets not measured at fair value

Loans to subsidiary	-	-	1,928,520	1,929,474
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Financial instruments measured at fair value

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Financial instruments not measured at fair value

Type	Valuation technique
Loans to subsidiary	Discounted cash flows.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(b.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and conditions are offered. The Group's review sales credit limits which are established for each customer and reviewed on annual basis. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

At 31 December 2020	Consolidated financial statements		
	Trade accounts receivables	Total carrying amounts	Allowance for impairment losses
(in thousand Baht)			
Within credit terms	2,507,264	2,507,264	-
Overdue:			
1 - 30 days	110,530	110,530	-
More than 90 days	433,401	433,401	(433,401)
Total	3,051,195	3,051,195	(433,401)
Less allowance for expected credit loss	(430,985)	(430,985)	
Net	2,620,210	2,620,210	

At 31 December 2020	Separate financial statements		
	Trade accounts receivables	Total carrying amounts	Allowance for impairment losses
(in thousand Baht)			
Within credit terms	2,076,134	2,076,134	-
Overdue:			
1-30 days	107,156	107,156	-
More than 90 days	433,401	433,401	(433,401)
Total	2,616,691	2,616,691	(433,401)
Less allowance for expected credit loss	(430,985)	(430,985)	
Net	2,185,706	2,185,706	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

<i>Trade accounts receivables</i>	Consolidated financial statements	Separate financial statements
<i>(in thousand Baht)</i>		
<i>At 31 December 2019</i>		
Within credit terms	2,232,951	1,617,426
Overdue:		
Less than 3 months	96,921	64,519
6 - 12 months	2,643	2,643
Over 12 months	430,858	430,858
	2,763,373	2,115,446
Less allowance for doubtful accounts	(430,995)	(430,995)
Net	2,332,378	1,684,451

The normal credit term granted by the Group ranges from 15 days to 90 days.

(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table is the maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<i>At 31 December 2020</i>	Consolidated financial statements		Separate financial statements	
	Carrying Amount	Contractual cash flows 1 year or less	Carrying Amount	Contractual cash flows 1 year or less
<i>(in thousand Baht)</i>				

Derivative financial assets (liabilities)

Forward exchange contracts used for hedging:

- Cash outflow	-	(1,342,630)	-	(844,571)
- Cash inflow	10,120	1,361,737	6,934	857,996
	10,120	19,107	6,934	13,425

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

At 31 December 2019	Separate financial statements				
	Effective interest rates	Maturity period			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)	(in thousand Baht)			
Financial assets					
Long-term loans to	3.0	642,840	1,285,680	-	1,928,520
		642,840	1,285,680	-	1,928,520

The cash inflows and cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

(b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

The Group is exposed to the transactions with foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and payables are denominated and the respective functional currencies of the Group. The functional currencies of the Group is primarily Thai Baht. The currencies in which these transactions are primarily denominated are US dollars, Euro, and Japan yen.

The Group's risk management policy is to hedge minimum at 80% its estimated foreign currency exposure in respect of forecast sales and purchases over the following 12 months at any point in time. The Group uses forward exchange contracts to hedge its currency risk, mostly with less-than-one-year maturity from the reporting date. These contracts are generally designated as cash flow hedges.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Exposure to foreign currency at 31 December	Consolidated financial statements									
	2020					2019				
	USD	EUR	JPY	Others	Total	USD	EUR	JPY	Others	Total
	<i>(in thousand Baht)</i>									
Cash and cash equivalents	32,147	-	-	-	32,147	145	-	-	-	145
Trade accounts receivable	733,636	12,984	3,873	-	750,493	788,483	12,320	4,662	-	805,465
Other receivables	-	923	8,647	193	9,763	116	326	17,342	111	17,895
Trade accounts payable	(270,023)	(2,245)	(6,479)	-	(278,747)	(129,330)	(2,721)	(968)	-	(133,019)
Other payables	(36,738)	(736)	(26,361)	-	(63,835)	(24,183)	(2,568)	(31,225)	(768)	(58,744)
Other non-current payables	(3,172)	-	(35,151)	-	(38,323)	-	-	(54,454)	-	(54,454)
Net statement of financial position exposure	455,850	10,926	(55,471)	193	411,498	635,231	7,357	(64,643)	(657)	577,288
Sales forecast	147,981	-	-	-	147,981	401,725	333	1,885	-	403,943
Purchases forecast	(66,618)	-	(176,690)	-	(243,308)	(303,858)	(4,827)	(12,827)	-	(321,512)
Net forecast transaction exposure	537,213	10,926	(232,161)	193	316,171	733,098	2,863	(75,585)	(657)	659,719
Forward exchange selling contracts	(907,368)	(9,153)	(3,400)	-	(919,921)	(1,193,311)	(12,783)	(6,650)	-	(1,212,744)
Forward exchange purchase contracts	247,270	666	176,738	-	424,674	324,323	7,339	18,055	-	349,717
Net exposure	(122,885)	2,439	(58,823)	193	(179,076)	(135,890)	(2,581)	(64,180)	(657)	(203,308)

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

Exposure to foreign currency at 31 December	Separate financial statements									
	2020					2019				
	USD	EUR	JPY	Others	Total	USD	EUR	JPY	Others	Total
(In thousand Baht)										
Cash and cash equivalents	16,934	-	-	-	16,934	131	-	-	-	131
Trade accounts receivable	268,867	-	-	-	268,867	162,565	-	-	-	162,565
Other receivables	-	923	8,647	103	9,673	116	326	17,342	111	17,895
Trade accounts payable	(219,979)	(1,730)	(6,479)	-	(228,188)	(69,475)	(2,450)	(968)	-	(72,893)
Other payables	(22,363)	-	(26,361)	-	(48,724)	(9,984)	(655)	(29,926)	(217)	(40,782)
Other non-current payables	(3,172)	-	(35,151)	-	(38,323)	-	-	(54,454)	-	(54,454)
Net statement of financial position exposure	40,287	(807)	(59,344)	103	(19,761)	83,353	(2,779)	(68,006)	(106)	12,462
Sales forecast	129,728	-	-	-	129,728	400,099	-	-	-	400,099
Purchases forecast	(31,978)	-	(176,690)	-	(208,668)	(286,253)	(4,827)	(12,827)	-	(303,907)
Net forecast transaction exposure	138,037	(807)	(236,034)	103	(98,701)	197,199	(7,606)	(80,833)	(106)	108,654
Forward exchange selling contracts	(488,197)	-	-	-	(488,197)	(566,171)	-	-	-	(566,171)
Forward exchange purchase contracts	180,778	666	176,738	-	358,182	288,589	7,339	18,055	-	313,983
Net exposure	(169,382)	(141)	(59,296)	103	(228,716)	(80,383)	(267)	(62,778)	(106)	(143,534)

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

(b.4) Cash flow hedges

At 31 December 2020, the Group held the following financial instruments to hedge exposures to changes in foreign currency and interest rates.

At 31 December 2020	Consolidated financial statements			Separate financial statements		
	Maturity			Maturity		
	1-6 months	6-12 months	More than one year	1-6 months	6-12 months	More than one year

Foreign currency risk

Forward exchange contracts

Net exposure (in million Baht)	1,356	-	-	852	-	-
Average THB:USD forward contracts rate	30.27	-	-	30.28	-	-
Average THB:EUR forward contracts rate	36.79	-	-	36.88	-	-
Average THB:JPY forward contracts rate	0.29	-	-	0.29	-	-

The amounts at the reporting date relating to items designated as hedged items were as follows.

At 31 December 2020	Consolidated financial statements			
	Change in value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Costs of hedging reserve	Balance remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied

(in thousand Baht)

Foreign currency risk

Sales of goods, trade receivables

-	11,827	-	-
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Purchase of raw material, trade and other payables

-	(1,707)	-	-
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At 31 December 2020	Separate financial statements			
	Change in value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Costs of hedging reserve	Balance remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied

(in thousand Baht)

Foreign currency risk

Sales of goods, trade receivables

-	8,417	-	-
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Purchase of raw material, trade and other payables

-	(1,483)	-	-
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Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

	Consolidated financial statements	Separate financial statements
<i>(in thousand Baht)</i>		
<i>Foreign currency risk</i>		
<i>At 31 December 2020</i>		
Forward exchange contracts - nominal amount	1,355,841	851,876
Carrying amount included in:		
- trade and other receivables	11,505	8,210
- trade and other payables	(1,120)	(920)
- derivative liabilities	(265)	(355)
<i>For the year ended 31 December 2020</i>		
<i>Recognised in OCI</i>		
- changes in value of the hedging instrument	233,290	195,148
- hedging reserve transferred to profit or loss	(237,511)	(199,808)
<i>Recognised in profit or loss</i>		
- hedge ineffectiveness	-	-
- reclassified from hedging reserve and included in revenue from sale of goods and cost of sales of goods	237,511	199,808

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

	Consolidated financial statements	Separate financial statements
	Hedging Reserve	Hedging Reserve
<i>(in thousand Baht)</i>		
Balance at 1 January 2020	(1,122)	(151)
<i>Cash flow hedges</i>		
Changes in fair value:		
Foreign currency risk	233,290	195,148
Amount reclassified to profit or loss:		
Foreign currency risk	(237,511)	(199,808)
Tax on movements on reserves during the year	844	933
Balance at 31 December 2020	(4,499)	(3,878)

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

23 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

24 Commitments

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
<i>Capital commitments</i>				
Machinery and equipment	93,005	70,407	91,625	62,513
Patents	102,964	-	102,964	-
Buildings and other constructions	1,848	-	1,848	-
Total	197,817	70,407	196,437	62,513
<i>Other commitments</i>				
Short-term lease commitments	218	6,669	218	6,669
Lease of low-value assets	78,294	20,172	78,294	20,172
Purchase orders for raw material and spare parts	210,025	237,202	129,038	130,512
Bank guarantees	147,880	147,880	144,434	144,434
Total	436,417	411,923	351,984	301,787

As at 31 December 2020, the Group had:

- (a) operating lease agreements with non-related parties covering vehicles and office equipment for periods ranging from 0.5 year to 5 years expiring on various dates during 2021 to 2025.
- (b) bank guarantees issued by banks on behalf of the company and its subsidiary for land rental, payment for pipeline placement, storage and electricity.
- (c) commitments to purchase raw materials, packaging and spare parts from related parties and external suppliers at agreed prices.

Vinythai Public Company Limited and its Subsidiaries

Notes to the financial statements for the year ended 31 December 2020

25 Events after the reporting period

At the Board of Directors' Meeting hold on 22 February 2021, the directors resolved to propose the dividend payment of Baht 0.9 per share. The dividend payment shall be approved by its shareholders at the annual general meeting of the shareholders.

26 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2019 which are included in the 2020 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2020 financial statements as follows:

	2019					
	Consolidated financial statements			Separate financial statements		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After reclassification

(in thousand Baht)

*Statement of financial position
as at 31 December*

Current tax assets	-	87,428	87,428	-	54,472	54,472
Other current assets	147,615	(87,428)	60,187	105,012	(54,472)	50,540
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

ATTACHMENT

Attachment 1	Information of Directors, Management, Empowered Persons and Company Secretary: https://www.vinythai.co.th/media/www/index/83526131615275932.pdf
Attachment 2	Information of Director's Position in Subsidiary Company: https://www.vinythai.co.th/media/www/index/34372551615276028.pdf
Attachment 3	Information of Head of Internal Audit and Corporate Governance Officer: https://www.vinythai.co.th/media/www/index/72465971615276124.pdf
Attachment 4	Assets Used in Business Operation: https://www.vinythai.co.th/media/www/index/82462931616052989.pdf
Attachment 5	Corporate Governance & Business Code of Conduct Attachment 5.1 Corporate Governance: https://www.vinythai.co.th/media/www/index/86904631615276350.pdf Attachment 5.2 Business Code of Conduct: https://www.vinythai.co.th/media/www/index/73572461615276510.pdf
Attachment 6	Audit Committee Report: https://www.vinythai.co.th/media/www/index/64768001615276641.pdf



SOCIAL CONTRIBUTION AND AWARDS & RECOGNITIONS 2020

SOCIAL CONTRIBUTION

Health and Safety of Employees and Surrounding Communities



Environmental Conservation and Management



Educational Support for Youths



Activities Supporting Religions, Traditions and Important National Days



Occupational Development and Community Well-being



AWARDS AND RECOGNITIONS



Zero Accident Award (Silver Level)
from Thailand Institute of Occupational Safety and
Health (Public Organization), Ministry of Labour



Certification of Appreciation in Supporting the
Eco-Industrial Town Development
from Industrial Estate Authority of Thailand



Good Environmental Governance
and CSR Award
from Industrial Estate Authority of Thailand



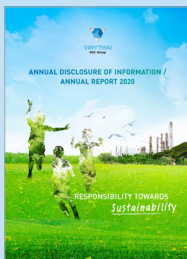
Sustainability Disclosure Recognition
from Thaipat Institute



1 of 100 listed companies having outstanding
performance on Environmental, Social and
Governance Responsibilities (2017 - 2020)
from Thaipat Institute



EcoVadis Sustainability Rating
(Gold Level) 2018 - 2020
from EcoVadis



Annual Disclosure of Information /
Annual Report 2020



Annual Report 2019



Annual Report 2018



Annual Report 2017



Annual Report 2016



Annual Report 2015



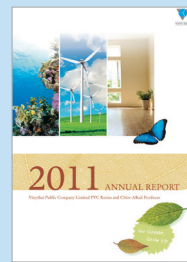
Annual Report 2014



Annual Report 2013



Annual Report 2012



Annual Report 2011



Annual Report 2010



Annual Report 2009



Annual Report 2008



Annual Report 2007



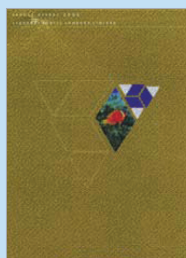
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Annual Report 2005



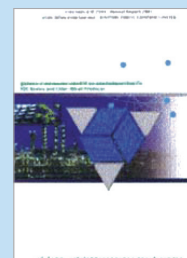
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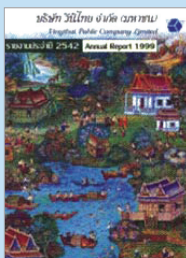
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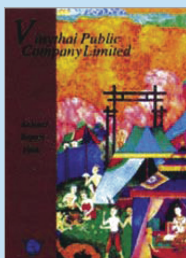
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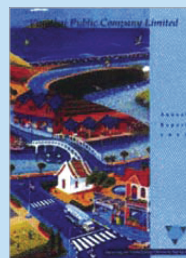
Annual Report 2000



Annual Report 1999



Annual Report 1998



Annual Report 1997



Annual Report 1996

Vinythai Public Company Limited

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RESPONSIBILITY TOWARDS
Sustainability