



AGC VINYTHAI

ANNUAL DISCLOSURE OF INFORMATION

ANNUAL REPORT

2023

DIVERSITY
AND
INCLUSION



CONTENTS :

Financial Highlights	1
Message from the Chairman	4
SECTION 1: BUSINESS AND PERFORMANCE	
Business Structure and Operation	6
Risk Management and Mitigation	37
Sustainability Management	43
Management Discussion and Analysis: MD&A	75
General Information and Other Information	79
SECTION 2: CORPORATE GOVERNANCE	
Corporate Governance Policy	82
Organization Structure	91
Structure of the Board of Directors	103
Corporate Governance Report	108
Internal Control	114
2023 Significant Related Transactions	118
SECTION 3: FINANCIAL REPORT	
Attachment	200
Attachment 1	Information of Directors, Management, Empowered Persons and Company Secretary
Attachment 2	Information of Director's Position in Subsidiary Company
Attachment 3	Information of Head of Internal Audit and Corporate Governance Officer
Attachment 4	Assets Used in Business Operation
Attachment 5.1	Corporate Governance
Attachment 5.2	Business Code of Conduct
SECTION 4: CERTIFICATION OF CORRECTNESS OF INFORMATION	
SOCIAL CONTRIBUTION 2023	202

FINANCIAL HIGHLIGHTS

Unit : Million Baht	2022#	2023#
Sales Revenues	48,119	34,402
Total Revenues	48,431	34,868
Gross Profit	12,223	6,115
Profit from Operating activities	9,484	3,783
Net Profit	7,701	3,496
Depreciation	1,749	1,558
Cash Flow from Operating Activities	9,378	3,783
Capital Expenditures	5,025	10,190
Total Assets	52,516	51,037
Total Liabilities	7,929	6,840
Total Loan	-	-
Shareholders' Equity	44,587	44,197
Persons Employed as of Year End	1,165	1,195

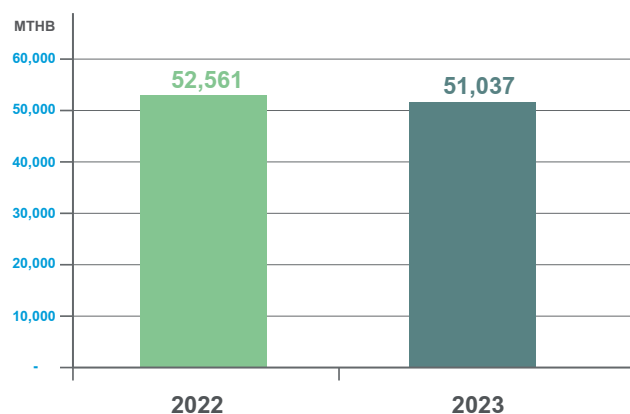
INFORMATION PER SHARE & FINANCIAL RATIO

Unit : Baht	2022#	2023#
Earning per Share	3.52	1.47
Book Value per Share	20.40	20.24
Dividend per Share (baht/share)	1.64	0.74
Net Profit Margin	15.9%	10.0%
Return on average equity (ROE)	19.2%	7.9%

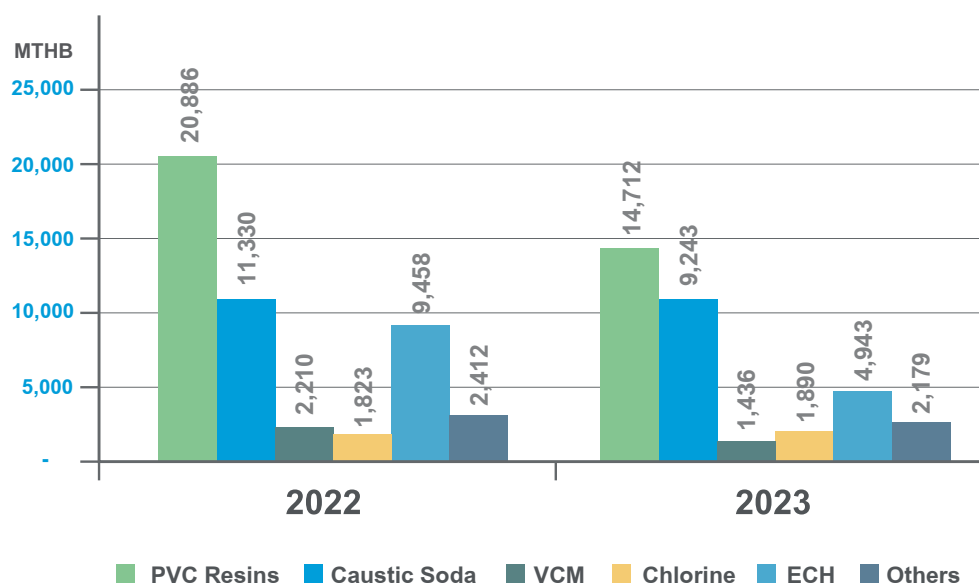
Information above were extracted from consolidated financial statements.

* The Board of Directors' Meeting resolved to propose the Annual Ordinary General Meeting of Shareholders to consider and approve in April 2024.

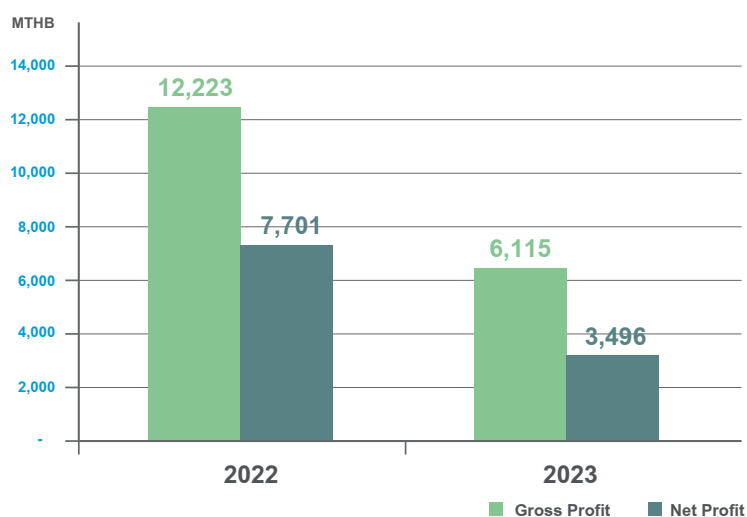
Total Assets



Sales By Products



Gross Profit and Net Profit





“

Mr. Yoshihisa Horibe
Chairman of the Board of Directors

”

2023: STRUGGLE AGAINST HEADWINDS

The economic situation in 2023 was not a bed of roses. Amidst various headwinds including global recession, inflation, fluctuation of energy price, political geography of conflicts and China's economic slowdown; AGC Vinythai (AVT) inevitably faced many challenges and was impacted. However, the company adhered to its basic policy and strategy with a focus on internal factors control which were cost improvement and maximum production based on safety, compliance, and environmental protection.

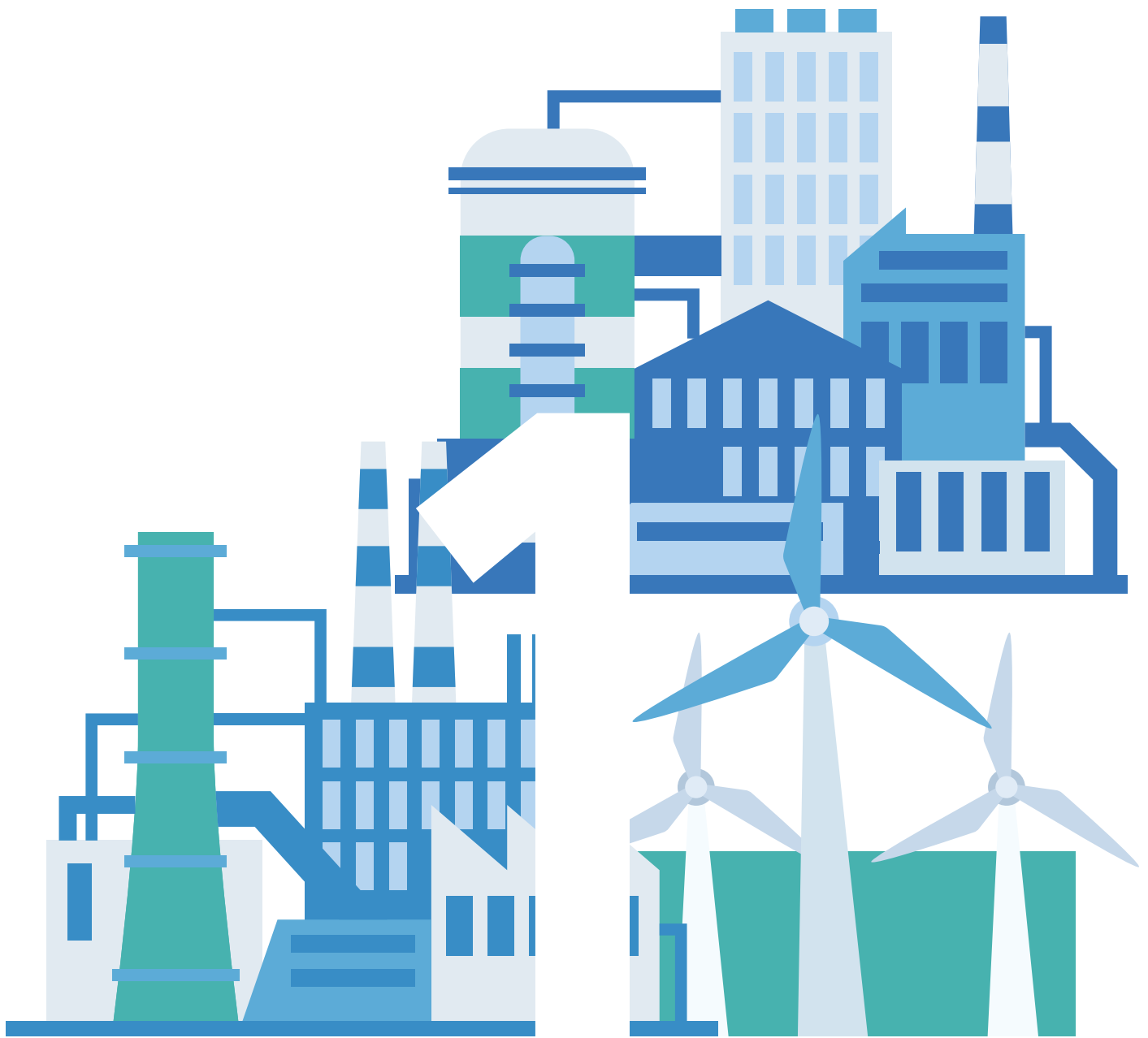
After one-year business integration, thanks to the efforts of all our employees with ONE TEAM spirit, many business activities could be achieved as planned. Notably, the entire business of our subsidiary company, Advanced Biochemical (Thailand) or ABT, was completely transferred to AVT on 3rd July 2023. It made a big step forward to be more efficient in providing services and cooperation with customers and business partners. To capture the expected growth of demand in Southeast Asia, the expansion project has been carried out progressively. Construction plan was successfully started and has been implemented without lost time accident so far. In terms of global crisis as climate change, AGC Vinythai has relentlessly pursued its commitment

to reducing Greenhouse Gas (GHG) emission according to AGC Group's interim targets with a 30% reduction in GHG emissions and a 50% reduction in GHG emissions per unit of sales by 2030. The company's roadmap of GHG emission reduction project was approved, and the company started investing in solar rooftop installation on many buildings at its plant.

This year our reputations were further enhanced by awards and accolades, notably: Green Industry Award Level 4 (Green Culture), Environmental Governance Award, Sustainability Disclosure Award for the fifth consecutive year and so forth. Our CSR programs have also been doing well. For instance, the AGC Vinythai Coral Cultivation project has already expanded to 11 locations across the country.

Lastly, under unfavorable market conditions, I would like to thank all stakeholders for the continued and great support which enabled us to get through obstacles and overcome challenges. Although uncertainty is still ahead, we will continue doing our best to develop the company further for getting ready to grow in the future, and we wish the continued guidance and encouragement of all concerned.

(Mr. Yoshihisa Horibe)
Chairman of the Board of Directors



BUSINESS AND PERFORMANCE

BUSINESS STRUCTURE AND OPERATION



▀ POLICY AND BUSINESS OVERVIEW

AGC Vinythai Public Company Limited (AGC Vinythai) was established, following the successful integration between AGC Chemicals (Thailand) Company Limited (ACTH) and Vinythai Public Company Limited (VNT), on July 1, 2022 with AGC Inc. and PTT Global Chemical Public Company Limited as major shareholders. With strong support from the major shareholders, the combination of the two companies will promote the business development of chlor-alkali products and services. This will allow AGC Vinythai to become a larger chlor-alkali player in the Southeast Asia region.

AGC Vinythai Public Company Limited is a manufacturing and distributing of Polyvinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Sodium Hydroxide (caustic soda), Hydrochloric Acid, Potassium Carbonate, Epichlorohydrin.

The company has its office in Bangkok and 4 production plants namely Map Ta Phut Plant 1 (Head Office) in Map Ta Phut Industrial Estate, Rayong Province, Map Ta Phut Plant 2 in WHA Eastern Industrial Estate (Map Ta Phut), Rayong Province, Phrapradaeng Plant 1 and Phrapradaeng Plant 2 in Samut Prakarn Province.

VISION

Growing with You - As a trusted and innovative partner

AGC 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

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

AGC 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 our products and solutions that our customers seek and society needs, thereby making people's lives better every day.

SHARED VALUES



AGC VINYTHAI 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.

SIGNIFICANT CHANGES AND DEVELOPMENTS

After the establishment of AGC Vinythai Public Company Limited (the “Company”) on 1 July 2022, there were the significant changes and developments of the Company as follows:

July 2022

• The Board of Directors’ Meeting No. 1/2022, held on 1 July 2022, passed the following resolutions pertaining to the important agenda as follows:

1. The Appointment of Chairman and Vice Chairman of the Board as follows:
 1. Mr. Yoshihisa Horibe as the Chairman of the Board
 2. Mr. Toasaporn Boonyapipat as the Vice Chairman of the Board
 This appointment shall be effective from 1 July 2022.
2. The Appointment of Mr. Kazuaki Koga as the Managing Director.
This appointment shall be effective from 1 July 2022.
3. The Appointment of the persons who are in following positions to be the Management Committee members:
 1. Managing Director
 2. Director - Director - Plant and Technical
 3. Director - Business
 4. Director - Finance, Accounting and Information Technology
 5. Director - Managing Director Office
 6. Director - Corporate Planning
 7. Executive Vice President -Procurement and Supply Chain
 8. Executive Vice President - Plant MTP 1
 9. Senior Vice President - Plant MTP 2
 10. Senior Vice President - Plant PPD1 and PPD2
 11. Senior Vice President - Human Resources and Administration
4. The Appointment of the members of Business Advisor Committee (the “BAC”) as follows:
 1. Mrs. Warawan Tippawanich as Chairman
 2. Mr. Kazuaki Koga as member
 3. Mr. Yoichi Noda as member
 4. Mrs. Chananchida Wiboonkanarak as member

November 2022

- The Board of Directors’ Meeting No. 5/2022, held on 16 November 2022, passed the following resolutions pertaining to the important agenda as follows:
 1. To propose to the shareholders’ meeting for approval (i) the increase in the Company’s registered capital from THB 8,734,060,364 to THB 9,435,987,428 by issuing 175,481,766 new ordinary shares, each at a par value of THB 4, to be allocated by way of private placement to PTT Global Chemical Public Company Limited, and (ii) the amendment to Clause 4 of the Company’s Memorandum of Association (Registered Capital) to be in line with the increase in the registered capital of the Company.
 2. To propose to the shareholders’ meeting for approval the allocation of 175,481,766 new ordinary shares each at a par value of THB 4 by way of private placement to PTT Global Chemical Public Company Limited at the offering price of THB 12.21715134 each, totaling THB 2,143,887,292.63.

December 2022

- The Extraordinary General Meeting of Shareholders No. 1/2022 of the company, held on 15 December 2022 resolved to approve the important agenda as follows:
 1. To approve the increase in the registered capital and the amendment to Clause 4 of the Memorandum of Association (Registered Capital) as follows:
 - 1.1 To approve the increase in the registered capital from THB 8,734,060,364 to THB 9,435,987,428 by issuing 175,481,766 new ordinary shares, each at a par value of THB 4, to be allocated by way of private placement to PTT Global Chemical Public Company Limited
 - 1.2 To approve the amendment to Clause 4 of the Memorandum of Association (Registered Capital) to be in line with the increase in the registered capital of the Company by increasing the registered capital from THB 8,734,060,364 to THB 9,435,987,428, divided into 2,358,996,857 shares each at a par value of THB 4.
 2. To approve the allotment of the newly issued ordinary shares by way of private placement to PTT Global Chemical Public Company Limited which is considered as a connected transaction.
- On 15 December 2022, the company has registered with the Department of Business Development, Ministry of Commerce, the increase in its registered capital from 8,734,060,364 to THB 9,435,987,428 by issuing 175,481,766 new ordinary shares, each at a par value of THB 4 and the amendment to Clause 4 of the Memorandum of Association (Registered Capital) to be in line with the increase in the registered capital of the Company.
- On 23 December 2022, the company has allotted the 175,481,766 new ordinary shares, each at a par value of THB 4 at the offering price of THB 12.21715134 each, by way of private placement to PTT Global Chemical Public Company Limited.
- On 26 December 2022, the company has registered the change in its paid-up capital with the Department of Business Development, Ministry of Commerce by amendment of the paid-up capital from THB 8,734,060,364 to THB 9,435,987,428 divided into 2,358,996,857 ordinary shares, with a par value of THB 4 per share.

February 2023

- The Board of Directors, in its meeting No. 1/2023 held on 22 February 2023 transacted the following businesses:
 - o Acknowledged the resignation as a Director of Mr. Masaki Takahashi, effective on 21 April 2023
 - o Resolved to appoint Mr. Masayoshi Namba as the new Director in replacement of Mr. Masaki Takahashi, effective on 21 April 2023 and to amend the authorized director who can sign to bind the Company which can be read as follows:

“Mr. Yoshihisa Horibe, Mr. Yoichi Noda, Mr. Kazuaki Koga, Mr. Satoru Miyatake, Mr. Masayoshi Namba, Mrs. Jamjuree Sirovetnukul, any two of these six directors jointly sign with the Company’s seal affixed in all kinds of documents; or Mrs. Jamjuree Sirovetnukul signs singly with the Company’s seal affixed in requests, applications and any other documents to be submitted to any government agencies, such as the Ministry of Industry, the Ministry of Commerce, the Ministry of Defence, the Ministry of Energy, the Ministry of Finance, the Ministry of Interior, the Ministry of Justice, the Ministry of Labour and Social Welfare, the Ministry of Public Health, the Ministry of Natural Resources and Environment, the Ministry of Higher Education, Science, Research and Innovation, the Ministry of Agriculture and Cooperatives, the Ministry of Education, the Ministry of Transport, the Royal Thai Police, the Office of the Prime Minister, the Ministry of Digital Economy and Society, or the Ministry of Social Development and Human Security”

April 2023

- The Board of Directors, in its meeting No. 2/2023 held on 26 April 2023 transacted the following businesses:
 - o Acknowledged the resignation as a Director of Mr. Yoichi Noda, effective on 26 April 2023
 - o Resolved to appoint Mr. Hiroyuki Kaneko as the new Director in replacement of Mr. Masaki Takahashi, effective on 1 May 2023 and to amend the authorized director who can sign to bind the Company which can be read as follows:

“Mr. Yoshihisa Horibe, Mr. Hiroyuki Kaneko, Mr. Kazuaki Koga, Mr. Satoru Miyatake, Mr. Masayoshi Namba, Mrs. Jamjuree Sirovetnukul, any two of these six directors jointly sign with the Company's seal affixed in all kinds of documents; or Mrs. Jamjuree Sirovetnukul signs singly with the Company's seal affixed in requests, applications and any other documents to be submitted to any government agencies, such as the Ministry of Industry, the Ministry of Commerce, the Ministry of Defence, the Ministry of Energy, the Ministry of Finance, the Ministry of Interior, the Ministry of Justice, the Ministry of Labour and Social Welfare, the Ministry of Public Health, the Ministry of Natural Resources and Environment, the Ministry of Higher Education, Science, Research and Innovation, the Ministry of Agriculture and Cooperatives, the Ministry of Education, the Ministry of Transport, the Royal Thai Police, the Office of the Prime Minister, the Ministry of Digital Economy and Society, or the Ministry of Social Development and Human Security”

July 2023

- AGC Vinythai Public Company Limited received all of its business and operations from Advance Biochemical (Thailand) Co., Ltd on July 3, 2023

August 2023

- The Company has appointed and delegated Bank of Ayudhya Public Company Limited, whose office is located at 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120, to be a keeper of the shareholder register and evidence supporting the registration, on behalf of the Company, according to section 62 of the Public Limited Companies Act, B.E. 2535 (1992) (as amended), and a provider of shareholder register service
- Any shareholder who wishes to proceed in relation to the shareholder register, such as a request for registration of the transfer or the acceptance of the transfer of shares, issuance of new share certificate, change of details about a shareholder, or Inquiries about receiving dividends, can contact Bank of Ayudhya Public Company Limited, whose office is located at 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 on Monday from Friday, from 08.30 a.m. to 05.00 p.m. except on non-business days of Bank of Ayudhya Public Company Limited. Shareholders may inquire about requests for the Company's shareholder register service at: 02-2964772, 02-2962796, 02-2964788, 02-2965696, 02-2965689, 02-2965692, 02-2962030, 02-2965695 during the aforesaid date and time, or via e-mail at BAY_Registrar@krungsri.com

ABOUT COMPANY

Name of the listed company	:	AGC Vinythai Public Company Limited
Address of Head Office (Map Ta Phut Plant 1)	:	No.2, I-3 Road, Map Ta Phut Industrial Estate, Tambon Map Ta Phut, Amphoe Mueang, Rayong Province 21150 Thailand Telephone No. : +66 -38 925 000 Fax No. : +66 -38 683 048
Address of Branch no. 1 (Map Ta Phut Plant 2)	:	No. 4, G-12 Alley, Pakorn Songkrohrad Road, WHA Eastern Industrial Estate, Map Ta Phut Subdistrict, Mueang Rayong District, Rayong Province 21150 Thailand Telephone No. : +66-38 683 573 Fax No. : +66-38 683 576
Address of Branch no. 2 (Phrapradaeng Plant 1)	:	No. 202 Village No. 1, Suksawadi Road, Pakklongbangplakod Subdistrict, Phra Samut Chedi District, Samut Prakan Province Telephone No. : +66-2 463 6345-8 Fax No. : +66-2 816 2054
Address of Branch no. 3 (Phrapradaeng Plant 2)	:	No. 757 Village No. 1, Sukhumvit Road, Bang Pu Mai Subdistrict, Mueang Samut Prakan District, Samut Prakan Province Telephone No. : +66-2 323 9346 Fax No. : +66-2 323 9346
Address of Branch no. 4 (Business Office)	:	No. 944 Mitrtown Office Tower, 14 th Floor, Rama 4 Road, Wangmai Sub-District, Pathumwan District, Bangkok 10330, Thailand Telephone No. : +66-2 030 6800 Fax No. : +66-2 030 6801-2
Type of Business	:	Manufacturing and distributing of Polyvinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Sodium Hydroxide (caustic soda), Hydrochloric Acid, Potassium Carbonate, Epichlorohydrin
Company's registration no.	:	0107565000395
Home Page	:	www.agcvinythai.com
Registered Capital	:	9,435,987,428 Baht
Number of Ordinary Shares	:	2,358,996,857 Shares
Number of fully paid-up shares	:	2,358,996,857 shares



NATURE OF BUSINESS OPERATION INCOME STRUCTURE

AGC 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 AGC Vinythai and its associated company is as follows:

Sales Revenues	2023		2022	
	MTHB	%	MTHB	%
Sales in Thailand				
1. PVC Resins	5,801	20.7	7,278	22.0
2. Caustic Soda	7,592	27.1	10,195	30.9
3. VCM	1,436	5.1	2,210	6.7
4. Chlorine	2,233	8.0	1,719	5.2
5. Epichlorohydrin	291	1.0	0	0
6. Others	1,815	6.5	2,823	8.5
Total Sales in Thailand	19,168	68.4	24,226	73.4
Sales Abroad				
1. PVC Resins	4,371	15.6	6,897	20.9
2. Caustic Soda	1,879	6.7	1,449	4.4
3. VCM	0	0	0	0
4. Chlorine	79	0.3	103	0.3
5. Epichlorohydrin	2,204	7.9	0	0
6. Others	329	1.2	344	1
Total Sales Abroad	8,862	31.6	8,793	26.6
Sales in Thailand and Abroad				
1. PVC Resins	10,171	36.3	14,175	42.9
2. Caustic Soda	9,471	33.8	11,644	35.3
3. VCM	1,436	5.1	2,210	6.7
4. Chlorine	2,312	8.2	1,823	5.5
5. Epichlorohydrin	2,496	8.9	0	0
6. Others	2,144	7.7	3,167	9.6
Total Sales in Thailand and Abroad	28,030	100.0	33,019	100.0

INCOME STRUCTURE OF SUBSIDIARY COMPANY

Product / Service	2023		2022	
	Income (MTHB)	%	Income (MTHB)	%
AGC Chemicals Vietnam Co., Ltd.				
PVC & Caustic Soda	4,631		4,647	
% Shareholding by AGC Vinythai		78		78

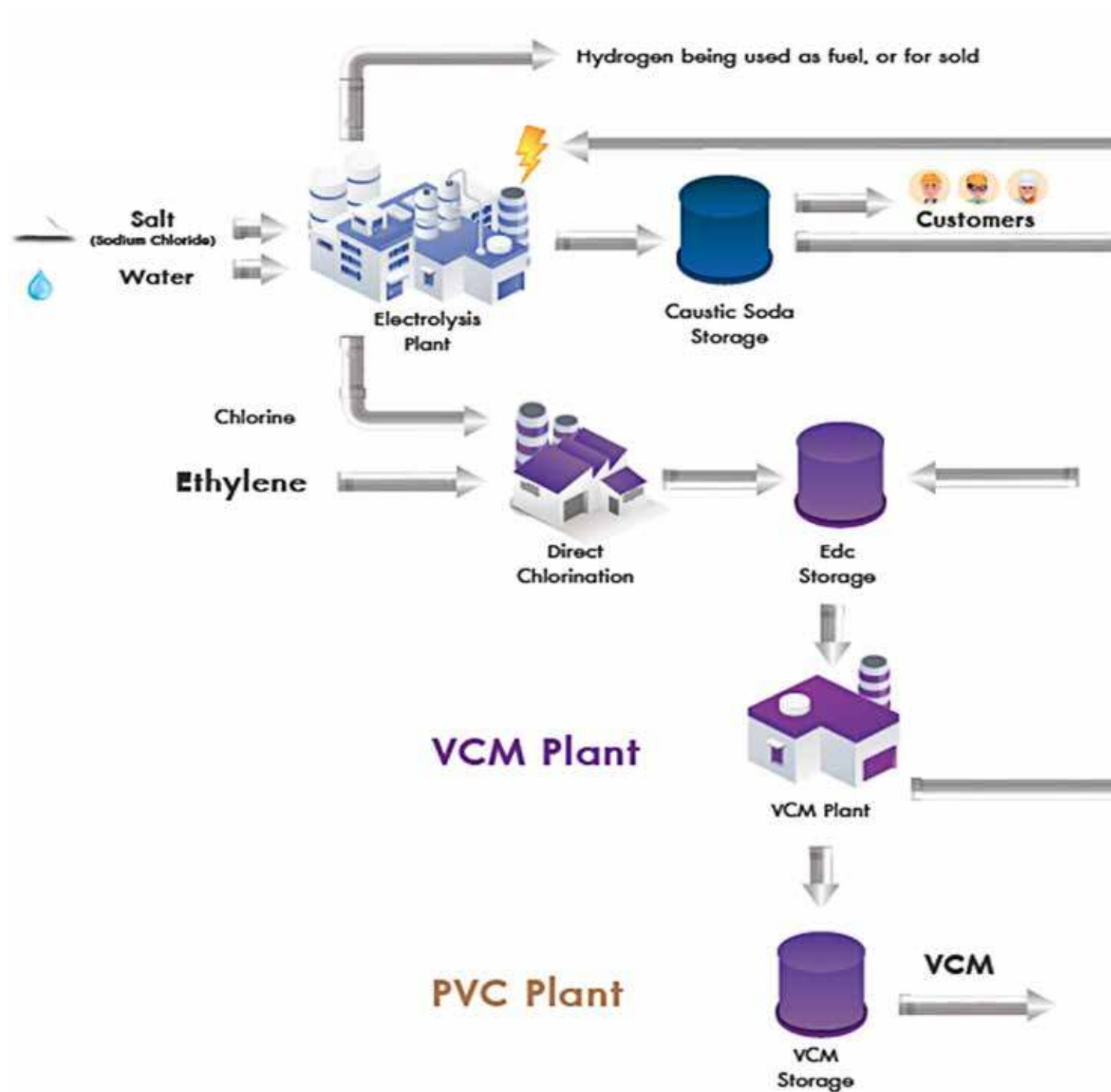
INCOME STRUCTURE OF ASSOCIATED COMPANY

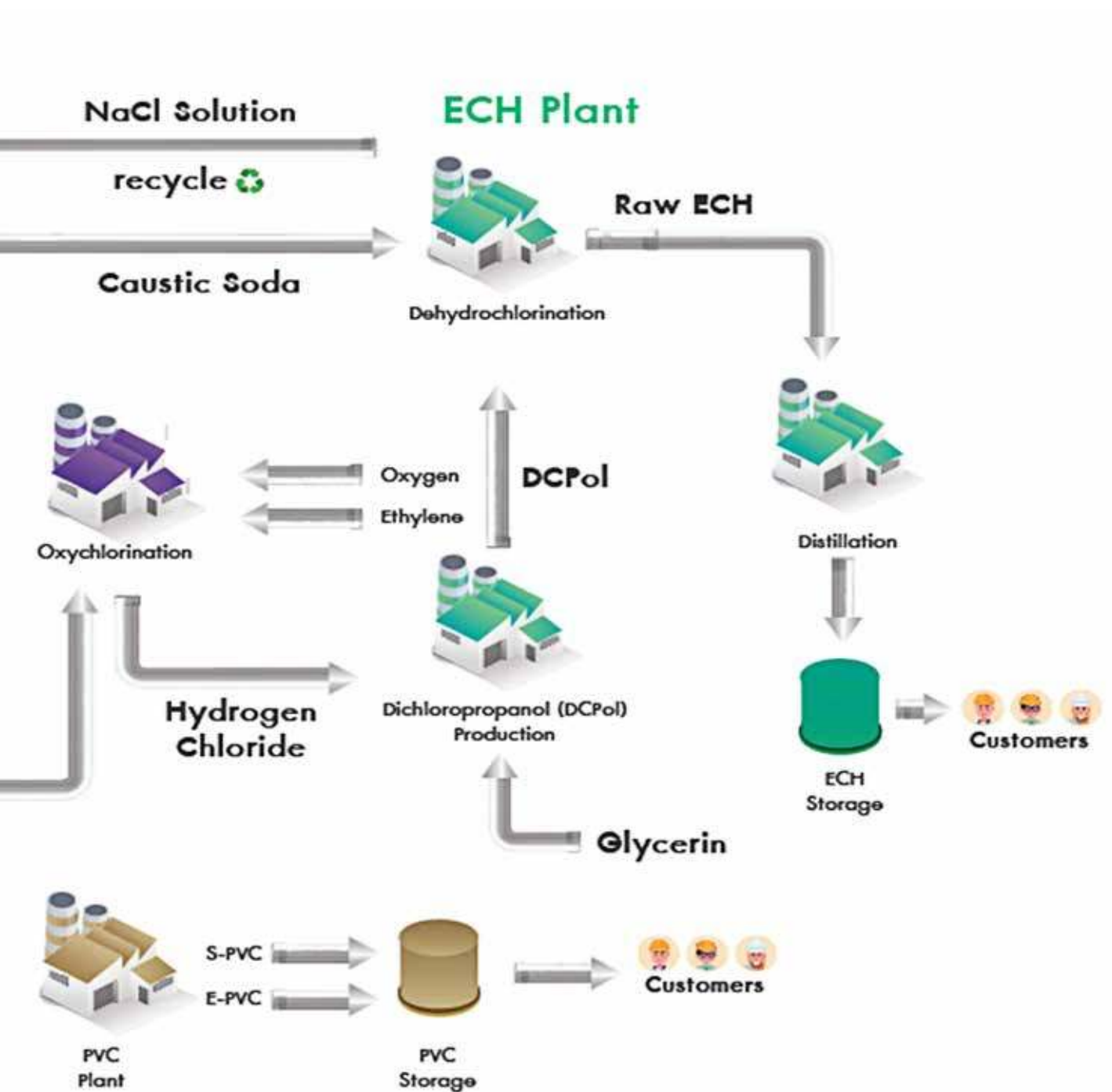
Product / Service	2023		2022	
	Income (MTHB)	%	Income (MTHB)	%
Pimai Salt Co., Ltd.				
Produce & Supply Pure Refined Salt	2,439		2,295	
% Shareholding by AGC Vinythai		49		49



ABOUT PRODUCTS PRODUCTION STRUCTURE

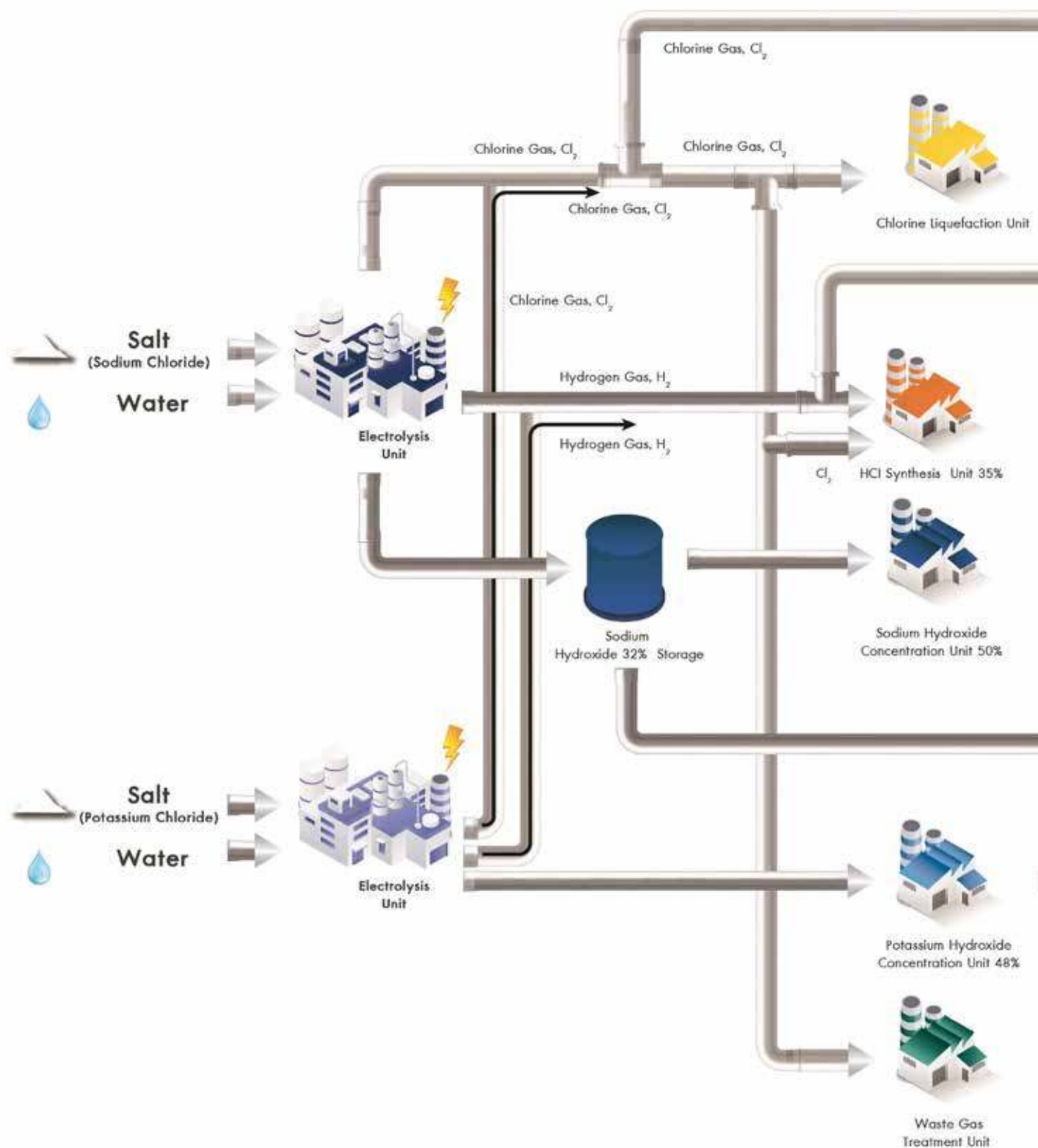
FULLY INTEGRATED PRODUCTION STRUCTURE OF MAP TA PHUT 1 PLANT

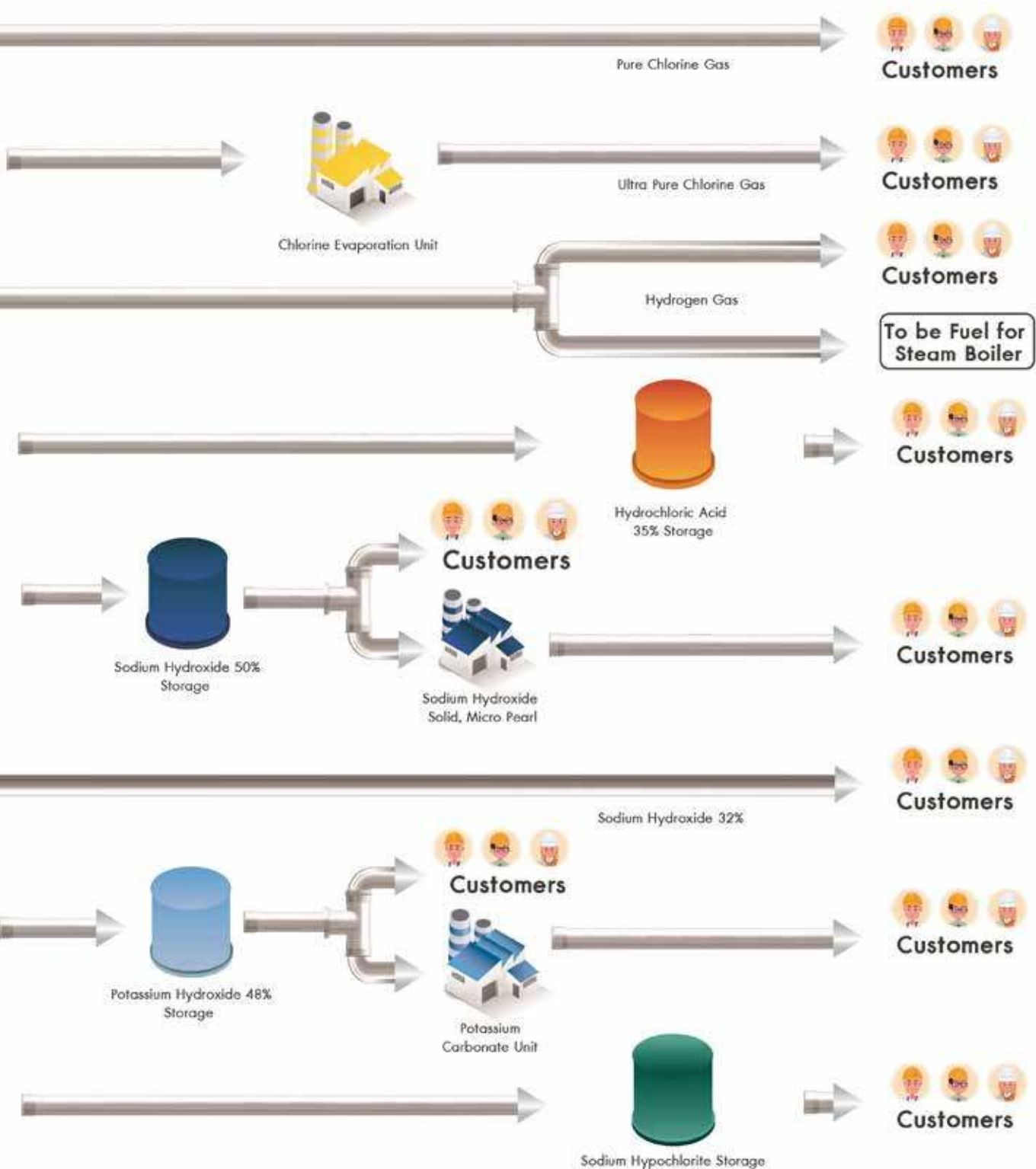




PRODUCTION STRUCTURE OF MAP TA PHUT 2 PLANT

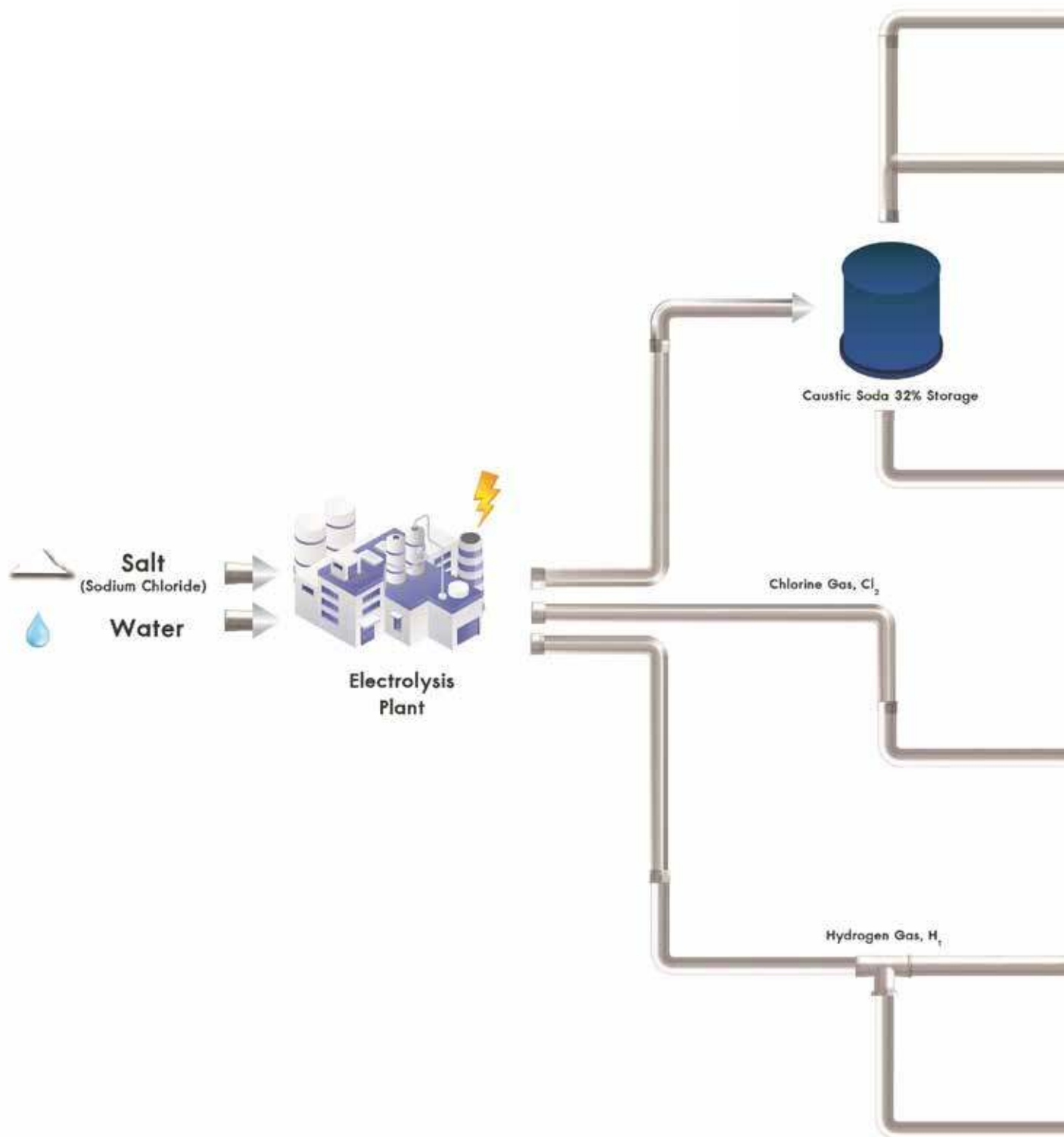
CHLOR - ALKALI PLANT

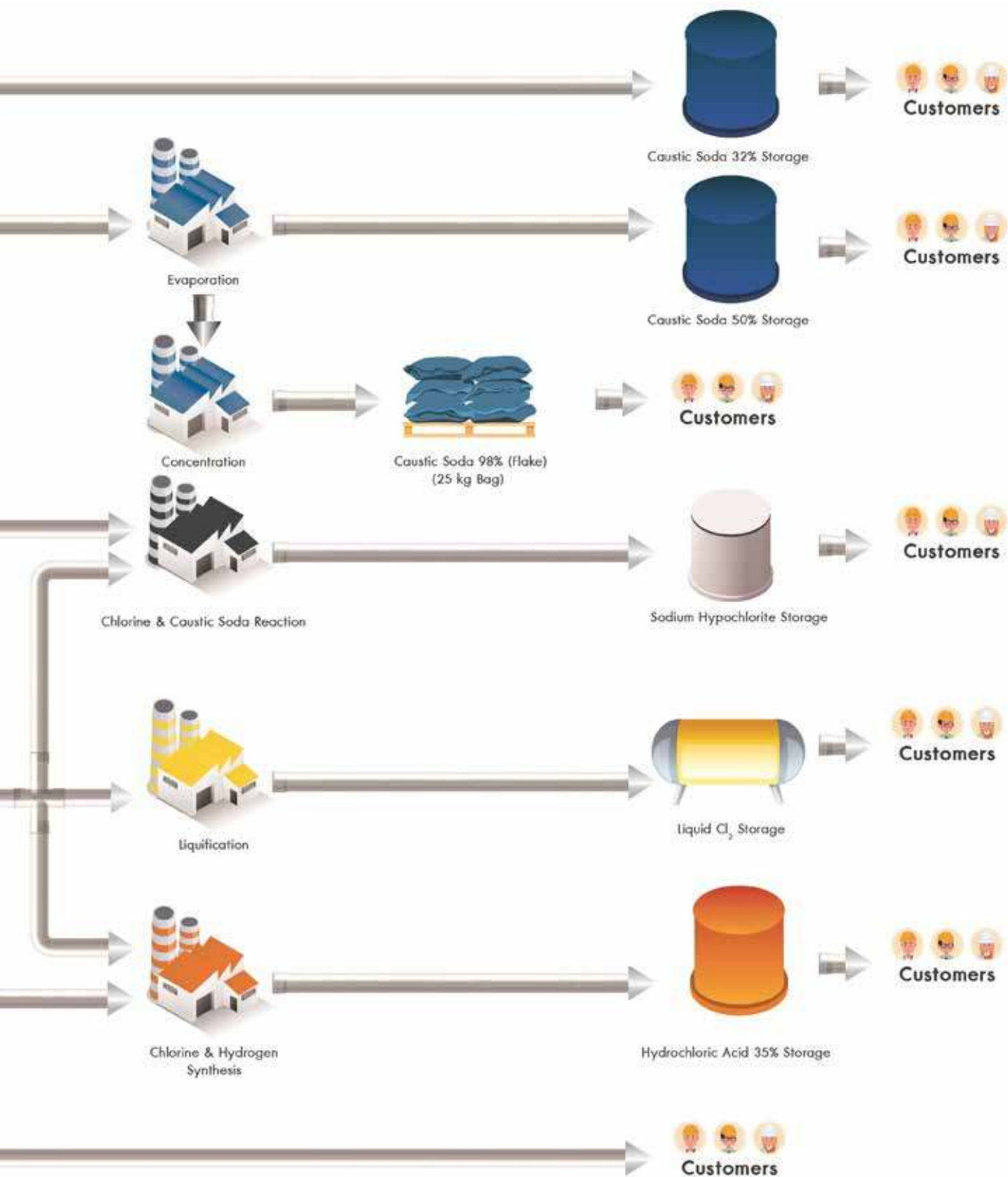




PRODUCTION STRUCTURE OF PHRAPRADAENG 1 PLANT

CHLOR - ALKALI PLANT





PRODUCTION AND PROCESS DEVELOPMENT

Regarding the amalgamation, AGC Vinythai will continue driving a transformation through Total Productive Maintenance (TPM) under “Manufacturing Excellence System or ME plus by progressively synergizing relevant activities for entire organization to serve the company’s objectives with value creation.

MAP TA PHUT 1 PLANT (MTP1)

The implementation of “SAFE and STABLE” policy shows the fruitful result.

- No loss time accident for 7th consecutive year, even though higher number of workers from expansion project.
- 2nd consecutive year of annual production record of all products.

The stability of the plant allows the people to have time to think about improvement, innovation in order to improve efficiency and work/life balance.

We can achieve

- more progress of synergy/standardize among the 3 plants
- Business Process Improvement/Work Process Improvement between divisions
- Digital transformation; digital tool for better efficiency and less manhour requirement

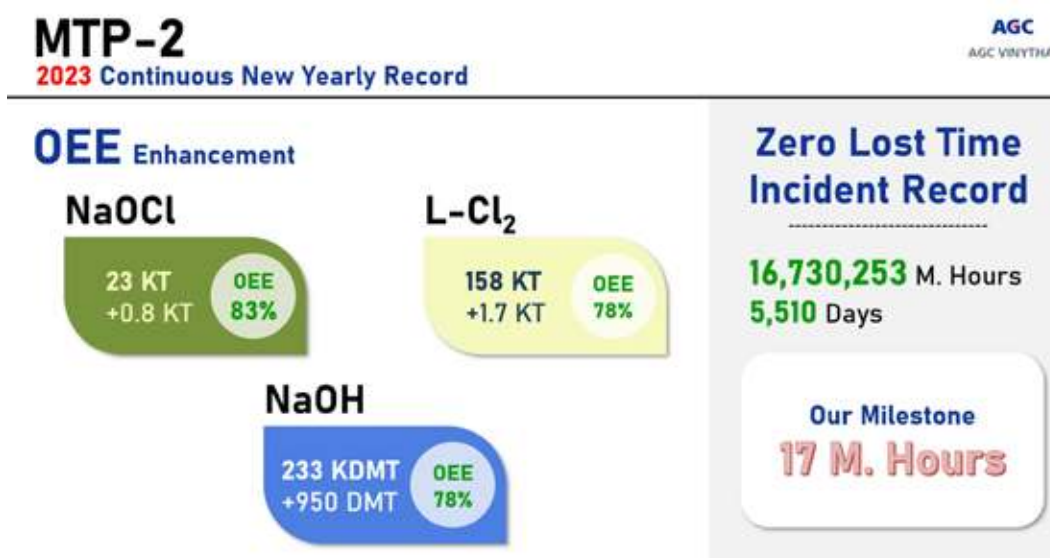
The expansion project progresses well as planned. In parallel, we completed the recruitment of required additional staff. They are all trained by experience staffs. Some key staffs move to join the project in order to be familiar with new technology and some are on-the-job training with the existing plant.

PVC research & development team develops progressively the expertise, networking with other AGC R&D teams. So AVT can be ready to develop the new requirement from both internal and external stakeholders, no matter if the requirement is for environmental, quality or cost.

MAP TA PHUT 2 PLANT (MTP2)

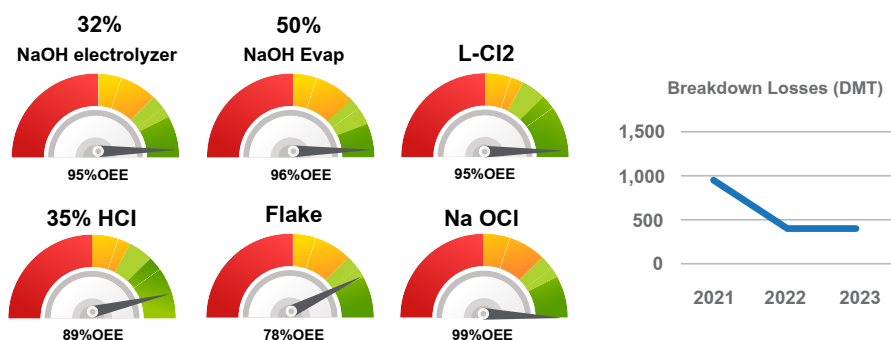
MTP2 plant’s effectiveness is represented by the improvement in Overall Equipment Effectiveness (OEE) of NaOH, L-Cl₂ and NaOCl and 2023 Safety Record (Zero Lost Time Incident).

Performance of MTP2 plant in 2023 underscored the pivotal role of stable operation and safety. The plant continuously accomplished a breakthrough in new yearly record on NaOH, L-Cl₂ and NaOCl products. Moreover, the CO₂ emission reduction policy implementation was started previous year. This remarkable achievement resulted from a synergy of good maintenance, strategic upgrades, an unwavering commitment to continuous improvement, strict adherence to industrial standards, and comprehensive training and education efforts. It could be proven that “ONE-TEAM” dedication and hard work of our employees truly paid off with this significant milestone including the ME plus activity that enhances the success to the MTP2 plant.



PHRAPRADAENG 1 PLANT (PPD1)

With strong dedication and effort to achieve stable operation and safety in daily work throughout the year 2023, Maintenance Prevention Design has been continuously applied for better improvement in efficiency and performance. It could be proven by concrete evidence with the reduction of plant breakdown loss. PPD1 Plant was able to significantly reduce production loss at 3.45% comparing to last year's record because of its better plant operation. Moreover, there was no claim or complaint about quality of the product from customers.



PPD1 Plant signified GHG emission reduction with a focus on implementation of energy saving management policy. It could successfully decrease energy consumption in office by 6.88% comparing to the previous year by energy saving team. H₂ utilization increased from 83% to 89% in this year.

PPD1 Plant has never stopped its improvement in production process. Rectifier was modified for operation cost reduction and flexible operation. For utility, demineralization water was improved with more stable supply in terms of both quantity and quality. Goods loading facilities were constructed with faster loading and higher level of safety. The plant has also applied digital technology for efficiency improvement. For example, QR code on IOS has been applied for chlorine cylinder management to increase safety and inventory control effectiveness.

Lastly, safety is always placed as top priority. To help prevent accident caused by human error, BBS (Behavior-based safety) program has been strongly promoted with an aim at raising safety awareness to our employees and business partners across the organization. In 2023, average 91% employee participation in every month and risk behaviors significant decreasing.

INNOVATION AND SUGGESTION MANAGEMENT IN DAILY OPERATION

AGC Vinythai Public Company Limited places a great importance on Innovation and suggestion activity. Aligning one of our shared values, Innovation and Operational Excellence, the contest of innovative ideas is organized every year with an aim at raising awareness of importance of innovation and suggestions.

In 2023, we held the “AVT Innovation & Operational Excellence Day” with participation by management members and employees from all 4 sites, including BKK, PPD, MTP1, and MTP2. The event took place on September 22, 2023 at Pattaya and was also livestreamed. The event attracted significant attention and garnered overwhelmingly positive feedback. At the event, 10 impactfully innovative ideas from specific challenges were presented to both management team who rigorously judged and colleagues for sharing good practice. This innovation and operational excellence platform is one of strategic actions for encouraging all employees to generate new ideas and transform them into concrete actions and fostering continuous improvement culture.

It was again this year that AGC Vinythai teams had an opportunity to share their innovative performance in AGC Chemicals Company President Award event - which regularly organized to praise outstanding Innovation & Operational Excellence activities in the AGC Group. All innovative contributions will help to increase the corporate value and enhance the company operations based on realization of Diversity, Environment, and Integrity identified in AGC Group Shared Values. All 10 ideas, which were from Manufacturing Excellence 5 ideas and Service and Office Excellence 5 ideas, were submitted and could win nominations award in the first round. In the final round, we successfully won 1 gold, 4 silver, 3 bronze, and 2 special awards. These achievements show that the company's activities were globally recognized.



PRODUCT INFORMATION

AGC Vinythai produces and supplies 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

In 2023, RD&T(PVC) has fully utilized pilot plant particularly S-PVC unit, piloting totally 136 experimental batches.

The experiments were applied through purposes, to study existing production recipe, to explore new alternative additives and to improve product quality and its process. For example, we have successfully achieved in the industrial scale, by modifying chemical used in recipe of production to improve process and quality. This not only contributed to improving the quality of PVC resin but also led to significant cost savings in the production process.

In addition, we, the RD&T(PVC), has aimed to leverage the pilot plant for new product development.

Two projects are ongoing - one is about development of a new-grade SPVC prospected to a new market, thereby expanding and diversifying the company's customer base.

Furthermore, the RD&T(PVC) plays a crucial role in scrutinizing various technical data and the quality of chemicals used in the production process. This contributes to the establishment of standards for the chemicals and improves product quality.

In 2024, we remain steadfast in our commitment to utilizing the PVC Pilot Plant for R&D in PVC resin.

Our aim is to deliver valuable products to both domestic and international customers, enhancing the company's competitiveness in terms of quality and production costs.

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, aluminium, detergents, fibres, and food & feeds. Kosher, Halal and HACCP certificates are available on request.

Potassium Hydroxide (KOH48% Solution)

Potassium Hydroxide is an inorganic compound with the formula KOH, is common called "Caustic Potash". KOH is a strong base. It is used in various chemical, industrial & manufacturing applications. KOH used as precursor to most soft and liquid soap, as precursor to other potassium compound, electrolyte in alkaline batteries, electroplating, additive for food production, mercerizing for textile, animal feed and cosmetic.

Potassium Carbonate (K₂CO₃)

Potassium carbonate is an inorganic compound with the formula “K₂CO₃” White Solid. Potassium carbonate is the product from reaction of Potassium hydroxide with carbon dioxide. It is used in manufacturing applications for glass & ceramic, buffering agent for wine production, as an acidity regulator, food additive use in some type of noodles and instant noodles, alkalization of cocoa powder (as Dutch-processed cocoa).

Innovation Development of Chlor-Alkali Production Process

The CA electrolysis process is one of the energy-intensive industry that is particularly concerned about the decarbonization movement and rising energy cost. The brine treatment and electrolyzer pilot plant have been established as part of the R&D for CA role in order to promote lower energy consuming technologies development, such as enhancing the electrolysis electrode and membrane, raw material quality, and employing hydrogen fuel as a renewable energy source. In addition, as the demand for caustic soda, potassium hydroxide, and chlorine rises, our R&D creates technological solutions to improve product purity and stable electrolyzer operation.

Bio-based Epichlorohydrin (ECH)

Epichlorohydrin (ECH) is mainly used as a precursor to epoxy resins, with uses in protective coatings, electronic components, adhesives and advanced composite materials. Other applications include paper and water treatment chemicals, mild surfactants in personal care and fine chemical applications.

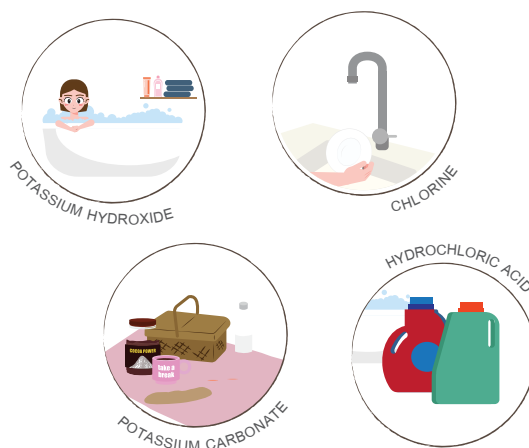
EPINITY® is the brand name of AGC Vinythai’s ECH which offers 3 value prepositions; bio-based product, drop-in properties, and reliability with competitiveness, to customers and downstream users.

EPINITY® is 100% bio-based ECH from renewable glycerin derived from vegetable oil which is a by-product from biodiesel and oleochemical production. It is a sustainable ECH in terms of environmental benefits and operational performance, as certified by credible standards.

A comparative Life Cycle Assessment (LCA) benchmarked EPINITY® against a state-of-the-art petro-based ECH showed that EPINITY®’s total Global Warming Potential (GWP) including biogenic carbon and direct land use change is up to 67% lower than for petro-based ECH.

Innovation Development of Bio-based Epichlorohydrin (ECH)

AGC Vinythai continues to develop the bio-based solution for coating, advanced composite materials and other applications. AGC Vinythai works closely with and supports academics and industrial partners in developing bio-based materials under the “Growth Project” to promote the value proposition of EPINITY® 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 EPINITY® to enable epoxy resins with higher bio-based carbon content, lower greenhouse gas emission, and performance.



SALES AND MARKETING

Sales and Marketing Policy in 2023

PVC or Polyvinyl Chloride

PVC supply-demand has been changed from tight balance in Q1 caused by Russia-Ukraine geo-political tension, Real estate crisis in China and Vietnam became surplus supply in Q2 right after an increasing of export portion from China and USA produces caused by domestic demand slow down.

Concerning of global recession, high inflation rate and high interest rate weight down on overall consumer demand, especially in building & construction sector from both of government and private projects. Since the main market of PVC related with building & construction material, AGC Vinythai had adjusted our product mixture and support domestic and export markets together with the additional demand from new Chinese investors in Thailand. Hence, the portion of PVC domestic sales has increased from 60% up to level of 65% (in accordance with AGC Vinythai projection).

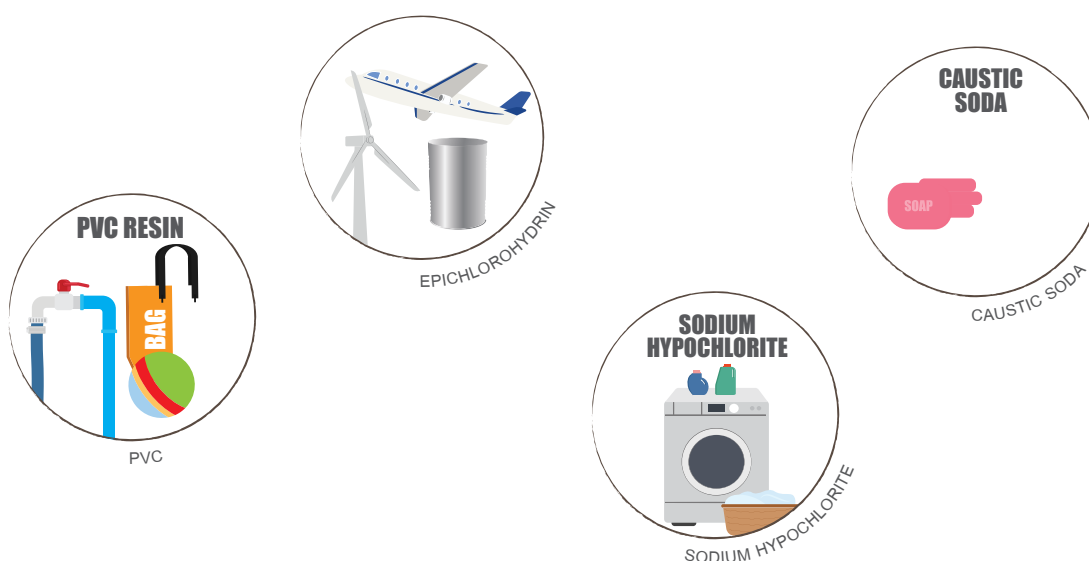
Caustic Soda, or Sodium Hydroxide

AGC Vinythai's strategy remained to continue to grow in Thailand market with market share 73% in 2023 (AVT's estimation). Proportion of domestic sales is 85% and export 15%. The major customers are in textile, chemicals, petrochemicals, detergent, pulp & paper, food and others.

Bio-based Epichlorohydrin (ECH)

AGC Vinythai commits to be a reliable supplier to support the growth of our customers in the global market. In 2023, 87% of company's sales is for export market whereas the balanced 13% is consumed within Thai domestic market. Asia remains the company's main market while there are opportunities for growth in the US and EU market.

AGC Vinythai aims to be a leader and market reference of Bio-based ECH by providing the most sustainable ECH and utilizing its values to downstream users.



Market Competition and Outline for 2023

PVC or Polyvinyl Chloride

In 2023, there were many factors directly affected global demand and supply of PVC such as geo-political tension between Russia-Ukraine which caused high energy cost, fluctuation of global Foreign Exchange, global economy recession, real estate crisis in China, and high inflation. The mentioned factors all directly weighted down the consumer demand.

PVC supply globally turned to surplus because of slow domestic demand from both China and USA. Moreover, the increase of export portion of Chinese & USA producers led to the supply surplus globally.

PVC markets were under pressure from the concern about Global Economic Recession and decrease of global PVC demand growth which possibly made global GDP growth lag. One factor driving this near-term forecast is China's slowing property market and inordinate debts of the country's property developers caused by the industrial and the country's lockdown from increase of Covid-19 cases. While the high energy cost, high inflation rate and high interest rate resulted from Russia-Ukraine political tension have headwind to demand from Western countries.

PVC demand in Asia shrunk because of country lockdown and impact from Vietnam Real Estate Debt Crisis. However, the industrial recovery in India led to firmer demand of PVC products. AGC Vinythai diversified its export markets during country lockdown to India, ISC & SEA countries. Regarding global economic recession, high inflation rate and de-valuation of local currency caused continued decrease of PVC price since Q2.

Caustic Soda, or Sodium Hydroxide

In Y2023, Caustic Soda supply remained long globally from the weak demand, high inflation rate and macroeconomic headwinds. Some producers in US/EU/Asia reduced operating rate for the slow demand and negative netback of Chlorine derivatives, especially vinyl sector.

Global caustic soda demand declined in several sectors - construction industry, pulp & paper, consumer durables and general manufacturing. In EU, the high inflation rate and the rising energy costs drove demand destruction. In US, the rising interest rates and high inflation led to lower demand. In Asia, Mainland China producers turned to export markets to move caustic soda, but with global demand balanced, demand was less than supply. As such, the Chinese domestic market remained oversupplied. Increasing caustic demand for battery material processing and alumina refining sectors in Southeast Asia and India drove the demand growth. However, the overall global demand growth of Caustic Soda in Y2023 remained unchanged compared to last year (Source: IHS).

In Thai market, overall demand softened in petrochemicals, chemicals, consumers and pulp & paper sectors. The demand growth declined by 0.5% (Source : IHS).

Bio-based Epichlorohydrin (ECH)

Epichlorohydrin and its major derivative - Epoxy resins, experienced a bearish market in 2023 due to weak market dynamics, been largely influenced from global economic headwinds and slow economic recovery in China. Mired in lackluster demand, increased capacities and oversupplied Asian market, price of Epichlorohydrin were flat, moved in narrow range on cost factors.

Production costs became a key challenge for the company, in addition to feedstock cost. The company experienced higher electricity rates than before, reflected from higher cost of power and electricity generation, price surged and then eased by interim government intervention in fourth quarter. Key feedstock, glycerin, price stabilized on healthy supply. Global logistics shown positive trends, total reversal from covid-era, freight became more competitive with sufficient supply.

Supply Chain

Procurement

The production complex consists of

- **3 Chlor-Alkali or Electrolysis plants:** 2 Plants in Rayong province and 1 Plant in Samutprakarn Province, producing Caustic Soda, Potassium Hydroxide, Potassium Carbonate and Chlorine. Chlorine will be sold by pipeline and containers to Customers.
- **1 Epichlorohydrin Plant** in Rayong province, producing bio-based Epichlorohydrin for domestic and export market.

Chlorine will further use as a raw material to produce Chlorine derivatives such as VCM, PVC resin, Bio-based Epichlorohydrin, Hydrochloric Acid and Sodium Hypochlorite.

- **1 EDC and VCM Plant** in Rayong province, producing VCM as a raw material for PVC production. The exceeding VCM product is also sold on the market.
- **2 PVC Plants:** One in Rayong province producing Suspension PVC and Emulsion PVC and the other

one in Vietnam producing Suspension PVC for distribution to domestic and export market.

High operating rates are maintained 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)	2023	2025
1. Caustic Soda	720,000	940,000
2. Chlorine	640,000	840,000
3. VCM	400,000	800,000
4. PVC Resin	450,000(*)	850,000(*)
5. Epichlorohydrin	120,000	140,000
6. Potassium Hydroxide	36,000	36,000
7. Potassium Carbonate	30,000	30,000

(*) including PVC Production capacity of AGC Chemical Vietnam Co.,Ltd.

In 2022, The company has announced the Capacity Expansion of Chlor-Alkali VCM and PVC resin production at 2 AGC Vinythai Plants in Rayong province.

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.

The Supply of Raw Materials and Number of Suppliers

AGC 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 resin 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 and Utility, which are salt, ethylene and electricity are as follows:

Salt Procurement

Salt is an essential raw material for Chlor-Alkali production. For purified salt procurement, the company has jointly invested with others in Pimai Salt Co., Ltd. (PSC). The company 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.

For expansion, the company has prepared to import Solar Salt from abroad in order to mitigate the supply risk and to fulfil additional Salt demand.

Electricity Procurement

In Chlor-Alkali production, besides salt, electricity is the important utility. The company entered into Power Supply Agreement with Glow Energy Public Company Limited, Bangkok Cogeneration Company Limited and Metropolitan Electricity Authority to procure electricity supply for Electrolysis Plants in Rayong and Samutprakarn province. The Power Supply Agreement is sufficient to cover the existing capacity demand and the expansion.

Ethylene Procurement

Ethylene is an essential raw material for VCM production. The company 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.

In 2021, the company has renewed Agreement for Sale and Purchase of Ethylene with PTT Global Chemical Public Company Limited to secure long term Ethylene supply to fulfil company requirement on the existing capacity and the expansion.

Glycerin Procurement

Glycerin is the key raw material to produce Epichlorohydrin. AGC Vinythai sources and purchases Glycerin from various suppliers to ensure the reliable supply;

- Domestic and Imported Glycerin
- Biodiesel and Oleochemicals Industries
- Thailand, Southeast Asia, Latin America and Europe

AGC Vinythai selects Glycerin 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 Epichlorohydrin 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, the company 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 the company, the company may purchase ethylene from other suppliers or import ethylene from abroad.

Glycerin is also the main raw material to produce Bio-based Epichlorohydrin. Glycerin price movement will directly affect production cost. However, sourcing strategy and price mechanism can mitigate the price fluctuation which could stabilize production cost.

The Proportion of Raw Material Purchased

In 2023, local purchasing accounted for 92 % 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 2023 are as follows:

Consolidated financial statements

Items	Useful Life (years)	Book value as of 31 December 2023 (Thousand Baht)
1. Land	-	351,548
2. Lease land improvement	10-50	311,550
3. Buildings and building improvement	10-50	1,779,043
4. Buildings and building improvement	4-30	5,345,493
5. Furniture, fixtures and office equipment	3-30	110,446
6. Vehicle	5-15	14,215
7. Assets under construction and machinery under installation	-	14,946,221
Total		22,858,516

Separate financial statements

Items	Useful Life (years)	Book value as of 31 December 2023 (Thousand Baht)
1. Land	-	351,548
2. Lease land improvement	10-50	313,173
3. Buildings and building improvement	10-50	1,674,844
4. Buildings and building improvement	4-30	5,088,887
5. Furniture, fixtures and office equipment	3-30	101,591
6. Vehicle	5-15	13,665
7. Assets under construction and machinery under installation	-	14,917,228
Total		22,460,936

Rights, Lease Agreement and Commitment

The Business Office is located at 14th Floor, Mitrtown office tower, No.944 Rama 4 Road, Wangmai, Pathumwan, Bangkok 10330 which is rented by AGC Vinythai.

The Head Office, Plant and Warehouse of AGC Vinythai which consists of PVC, VCM, chlorine and caustic soda plant and warehouse is located at 2, I-3 Road, Map Ta Phut Industrial Estate, Tambol Map Ta Phut, Amphoe Muang, Rayong Province 21150. The Company leased 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 with a renewal option of 20 years

(2) Investment Policy in Subsidiary and Associated Companies

The Company has invested in three below subsidiaries: -

- a) Advanced Biochemical (Thailand) Company Limited in which it manufactures and sells a chemical product named as EPICHLOROHYDRIN, in order to support the Company's business.
- b) AGC Chemicals Vietnam Co., Ltd. in which Manufacturing and trading of chemical products
- c) SURISA Limited in which Manufacturing and trading of salt products

on 30 June 2023, Advanced Biochemical (Thailand) Company Limited ("Business transferer company") entered into the entire business transfer agreement with AGC Vinythai Public Company Limited ("Business transferee company") by agreeing to transfer assets and liabilities under the agreement including rights and obligations under the agreement on transfer date on 3 July 2023. The business transferer company is registered its dissolution with the Ministry of Commerce followed by Revenue Code in relation to entire business transfer and in process of liquidation.

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

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

AGC Vinythai's Investment

(31 December 2023)

	Product or nature of business	Paid-up capital	Percentage of voting shares held by AGC Vinythai	Acquisition cost (MTHB)	Investment Value (MTHB)
<u>Subsidiary Company</u> Advanced Biochemical (Thailand) Co., Ltd.	Manufacturing chemical products	1,500 MTHB	100.00% of its shares	1.08	-
AGC Chemicals Vietnam Co., Ltd.	Manufacturing and trading of chemical products	VND 725 billion	78.11% of its shares	1,462.73	-
SURISA Limited	Manufacturing and trading of salt products	1 MTHB	100.00% of its shares	1	-
<u>Associate Company</u> Pimai Salt Co., Ltd.	Manufacturing of salt	418.64 MTHB	49% of its shares and has common directors.	921.86	951.19

Assets used in Business Operation

-none -

SHAREHOLDING STRUCTURE

SHAREHOLDERS



SUBSIDIARIES

AGC Chemicals Vietnam Company Limited

AGC Chemicals Vietnam Company Limited is a subsidiary company in which AGC Vinythai Public Company Limited has 78.11% shareholding. It produces and supplies PVC resins to meet the growing demand in the Southeast Asian markets. Its production plant is located in Cai Mep Industrial Zone in Vietnam.

Surisa Company Limited

Surisa Company Limited is a subsidiary company in which AGC Vinythai Public Company Limited has 100% shareholding. The principal business of the Company is to trade pure salts.

Pimai Salt Co., Ltd.

Pimai Salt is a producer and supply of pure refined salt. AGC Vinythai holds 1,316,329 ordinary shares in Pimai Salt, equivalent to 49% of its total issued shares, amounting to 2,686,400 ordinary shares at par value of THB 100 each.

Pimai Salt's plant is located in Amphoe Pimai, Nakhon Ratchasima Province, Thailand. The Head Office is located at 1st Floor Room A, Srfuengfung Building, 1016 Rama IV Road, Silom, Khet Bangrak, Bangkok 10500, Telephone No. +662-633-9380-5, Fax No. +662-633-9390.

Advanced Biochemical (Thailand) Co., Ltd.

Advance Biochemical (Thailand) Company Limited transferred its all business and operations to AGC Vinythai Public Company Limited on July 3, 2023.

INFORMATION CONCERNING JURISTIC PERSON IN WHICH AGC VINYTHAI HOLDS AT LEAST 10% OF ISSUED SHARES

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

Address of Head Office and Plant	: No. 2/1, I-3 Road, Map Ta Phut Industrial Estate, Tambon Map Ta Phut, Amphoe Mueang, Rayong Province 21150, Thailand
Telephone No.	: +66-3892-5000
Fax No.	: +66-3868-3048
Address of Business Office	: No. 944 Mitrtown Office Tower, 14th Floor, Rama 4 Road, Wangmai Sub-District, Pathumwan District, Bangkok 10330, Thailand
Telephone No.	: +66-2030 6800
Fax No.	: +66-2030 6801-2
Type of Business	: Manufacturing and trading of chemical product (Epichlorohydrin)
Company's registration no.	: 0105551033847
Registered Capital	: 1,500,000,000 Baht
Number of Ordinary Shares	: 15,000,000 Shares
Number of fully paid-up shares	: 15,000,000 shares

(b) AGC Chemicals Vietnam Company Limited

Address of Head Office/ Plant	: Cai Mep Industrial Zone, Tan Phuoc ward, Phu My town, Ba Ria - Vung Tau province, Vietnam
Address of Business Office	: Cai Mep Industrial Zone, Tan Phuoc ward, Phu My town, Ba Ria -Vung Tau province, Vietnam
Type of Business	: To product suspension PVC resin
Company's registration no. (Enterprise code)	: 3500103859
Registered Capital	: 563,500,000,000 VND

(c) Pimai Salt Co.,Ltd.

Address of Business Office	: 1st Floor Room A, Srifuengfung Building, 1016 Rama 4 Road, Silom Sub-District, Bangrak District, Bangkok 10500
Telephone no.	: +662-633-9380-5
Fax No.	: +662-633-9390
Type of Business	: Manufacturing of 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

(d) Surisa Company Limited

Address of Business Office	:	No. 944 Mitrtown Office Tower, 14th Floor, Rama 4 Road, Wangmai Sub-District, Pathumwan District, Bangkok 10330, Thailand
Telephone No.	:	+66-2030 6800
Fax No.	:	+66-2030 6801-2
Type of Business	:	To trade pure salts
Company's registration no.	:	0105544085730
Registered Capital	:	1,000,000 Baht
Number of Ordinary Shares	:	100,000 Shares
Number of fully paid-up shares	:	100,000 Shares

Relation between the Company and its Major Shareholders

AGC Vinythai's major shareholders are AGC Inc. (Japan) holding 65% of shares and PTT Global Chemical Public Company Limited (PTTGC) holding 32.72% of shares (information as of 31 December 2022). AGC Vinythai is manufacturing and distributing of Polyvinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Sodium Hydroxide (caustic soda), Hydro Chloric Acid, Potassium Carbonate, Epichlorohydrin. 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.

SHAREHOLDERS**(1) Major Shareholders**

(a) The First 10 Major Shareholders:

No.	Names of Shareholders	As of 31 December 2023	
		Number of shares (shares)	%
1	AGC INC. (JAPAN)	1,533,347,957	65.0000
2	PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED	771,952,820	32.7238
3	THAI PIPE INDUSTRY CO., LTD.	42,076,751	1.7837
4	MRS. SUTRAPORN JITRSKUL	3,623,944	0.1536
5	SAHASIT IMPORT & EXPORT (THAILAND) CO., LTD.	2,036,223	0.0863
6	STATE STREET TRUST COMPANY CANADA	415,762	0.0176
7	BOFA SECURITIES, INC.-THB HOLD ACCOUNT	388,011	0.0164
8	UBS AG LONDON BRANCH	368,649	0.0156
9	MRS. ORAPAN NIWATPAN	298,247	0.0126
10	MR. THUNG-NGERN PUMNGERN	279,482	0.0118

(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 1,533,347,957 shares, or 65%, in the Company
2. PTT Global Chemical Public Company Limited holds a total of 771,952,820 shares, or 32.72%, 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 9,435,987,428 consist of 2,358,996,857 ordinary shares of 4 Baht each.
- (2) Other Shares:
none

Other Securities

-none-

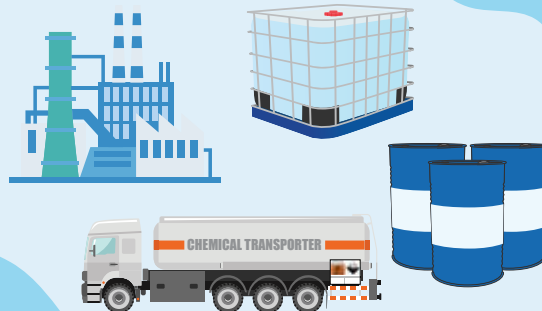
Dividend Policy

The Company in principle aim for a dividend payout ratio of not less than 50% of consolidated financial statement's net profit after tax and allocation to all reserves funds of each fiscal year. Nevertheless, the dividend shall be subject to cash flow, investment plan of the Company, shareholders' approval together with all other conditions of necessity and suitability in the future.

The dividend payment policy for AGC Vinythai'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



1. 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 to review potential risk and their mitigations.

In addition, the Risk Management Committee (RMC), comprises of all the Management committee members, 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 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.

2. 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.

2.1 Business Operation Risks

2.1.1 Reliance on a single business sector

In 2023, overall domestic demand slightly lower comparing with 2022 from limited spending from both of government sector and new private construction project caused by several economic factors. Domestic market, over of 50% of all PVC resin demand in Thailand is pipe and fitting sector. The delay of new government forming led the delaying of budget spending on several government projects such as the water management project, local government project and government-initiated public infrastructure projects. Anyhow there are a couple of expansion projects from new Chinese investors created additional demand.

Mitigation:

The Company has adopted a policy of diversification that focuses on expanding into different sectors, such as compound, rigid profiles, films and sheets, wires & cables, artificial leather and to serve new downstream investors. The Company also endeavors to penetrate new export markets and diversify its exposure within existing export markets. We are also increasing cross-border export to minimize the risk of logistic and supply chain.

Additionally, the diversification into Bio-based Epichlorohydrin production using “renewable raw material”, reduced its sole reliance on, and sensitivity to, the PVC market. Epichlorohydrin is an essential feedstock for production of epoxy resins and is increasingly used in such applications as corrosion protection coatings, electronic components, and composite materials for automotive, aerospace, and windmill power-generating industries.

2.1.2 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, the Company 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.

2.1.3 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, the Company's revenues from both exports and domestic sales may rise or fall sharply, often due to circumstances beyond its control.

• Raw materials and utilities

The Company 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 35% of the Company's total production costs in 2023.

Mitigation:

The Company 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.

2.1.4 Cyber Risk

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

Mitigation:

The Company has established an information technology security management system that accords to "Information Technology Security Management Practices of AGC Group" to increase the security level of information technology in the company by focusing on increasing the security level of information technology management to be more rigorous.

Cyber-attack prevention systems, monitoring systems, and warning systems of security offenses have been built to be able to respond and prevent promptly, including data recovery and any defects that occur suddenly. In addition, the Company executes to follow the rule and audits to comply with any regulations of information system security in order to be always ready and safe.

The Company also aims to educate employees about the security of company information technology. Training and annual assessments are held so that employees are aware of the importance of the use of information safely.

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

2.1.5 Severe Pandemic (COVID-19)

Even though the trend from the coronavirus pandemic (COVID-19) which spread around the world has gradually decreased. But the company measures are also taken that are in line with the changing situation and various measures are reviewed. In order to be appropriate and sufficient for the outbreak situation, the Company has also prepared continuity plans and procedures to prevent and support if an outbreak occurs in the future. The objective is to protect health and safety including the continuity of business operations under the outbreak situation that may occur again in the future.

Mitigation:

At the Company, 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.

To cope with the trend of the outbreak of Coronavirus disease, which may continue for a certain time, company has therefore introduced the concept of A new approach to disease control that balances a safe lifestyle from coronavirus is implemented throughout the company. as well as expanding to our business partners.

In regard the industrial operations, our three plants located at Map Ta Phut, Rayong and Phrapradaeng, Samutprakarn are, to date, still operational with strong health and safety restrictions in line with those measures, in particular:

- Closely monitored the situation with the Ministry of Public Health and Department of Diseases Control to properly and effectively implement the measures.
- Our internal communication team carried out to increase awareness, discipline for personal protection, regularly updated situation.
- Promote the hygienic practices and stringent epidemic prevention measures following the D-M-H-T guidance.
- Has doctor and nurse who are available to guide our employees and address questions, to provide consultations as well as to plan and support effective actions in the event that an infected person is found.

Nevertheless, at Company we remain fully committed to keeping our employees, customers, communities, and broader stakeholders informed on the Company's measures related to this event, as well as the continuity plans and procedures have been prepared to prevent and support if an outbreak occurs in the future in order to protect the health and safety of employees is our first priority including the continuity of business operations if another outbreak occurs in the future.

2.2 Production Risks

2.2.1 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 and emerging regulations 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 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", for driving and enhancing company's' capability in pursuit of safety, health and environment excellence in a consistent and sustainable manner.

Enhancing the Process Safety Management (PSM) continuously, particular the risk analysis and assessment with the validated method. The internal audit was also carried out in accordance with IEAT's requirement in 2022 with no major nonconformity. The process safety risk analysis has been reviewed regularly as planned also.

The Company recognizes the importance of environmental management to systematically control and mitigate potential impacts. 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.

The Company continues to apply the environmental management approach of ISO 14001: 2015, incorporated with the Eco-Industry Environmental Framework under the CSR-DIW initiative.

Continuously exercised the emergency preparedness, review the crisis management structure and the Business Continuity Management (BCM) in collaboration with all sectors, to minimize their impacts and losses, while also safeguarding personnel and the environment and regularly reviewing of these plans.

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

2.2.2 Internal control and Fraud risk

Some business activities and transactions, such as goods purchasing, stock management, contacts with business parties, are ones of the key business processes that could lead to inefficient management if the Company does not maintain the proper process to ensure their good compliance.

Mitigation:

The Company has established Internal Audit Division to be responsible for auditing, evaluating the internal control and reporting the audit result to the Managing Director and the Company's management.

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.

The Company conducted the training on Code of Conduct and Anti-Corruption Policy to employees at all levels annually. The management and employees are strictly informed and adhered to the Code of Conduct and Anti-Corruption Policy. Major policies and regulations related to the business operations of the Company and its subsidiaries are regularly updated.

2.2.3 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 monitor the water situation and assess 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 can reduce its total water consumption more than 20%.

2.3 Financial risks

2.3.1 Foreign exchange rate risk

The Company is 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:

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

2.4 Megatrend - Green Movement Risks**2.4.1 Greenhouse gas emission**

In the face of escalating climate change concerns and environmental degradation, the imperative to reduce greenhouse gas (GHG) emissions has become a defining challenge of our time. The Green Movement, with its emphasis on sustainability and eco-conscious practices, has emerged as a guiding force in steering societies, industries, and governments towards a more environmentally responsible future.

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

This year, we established the working group to develop Company strategy and initiative in the future. Efficiency-driven, technology change and eco-solution are the focuses being transformed into concrete actions throughout our value chain.

Mitigation:

The Company 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,

Efficiency-driven (ME plus and performance management program)

- *Steam optimization in distillation column*
- *Improve chiller efficiency*
- *Management of hydrogen utilization*

Technology change

- *Solar roof*
- *Carbon capture and storage*

Eco-solution

- *Enhance 3Rs For All – Reduce, Reuse, and Recycle*
- *Green procurement and low carbon sourcing (Supply chain excellence program)*

Carbon off-set

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

SUSTAINABILITY MANAGEMENT



With AGC Vinythai's mission "AGC 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 AGC 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.

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

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

1. Safety, Occupational Health, Process Safety and Transport Safety is a part of our daily work. We realize that safety is the highest priority of all employees, contractors, and other stakeholders who work in the Company. The company commits to providing safe and healthy working conditions by eliminating hazards and reducing occupational health and safety risks. It also promotes and supports to continually improve occupational health and safety to prevent occupational injuries and illnesses including determination to give advice, to be informed and able to search for hazard analysis data in the production process including other information for safety at work and participation of employees and contractors in terms of occupational health and safety.

2. Compliance, to comply with all applicable legal requirement, business code of conduct, obligations and standards in terms of occupational health and safety, environment, quality and food safety, embracing our shared value of Integrity.

3. Environment, to develop and continuously improve the environmental management system for the production process and the company's products from a life cycle perspective, taking into account all stakeholders. The company will conserve natural resources including sustainable use of resources, consideration of climate change, protection of biodiversity and ecosystems by directing and supporting personnel in order to contribute to the creation of an effective environmental management system.

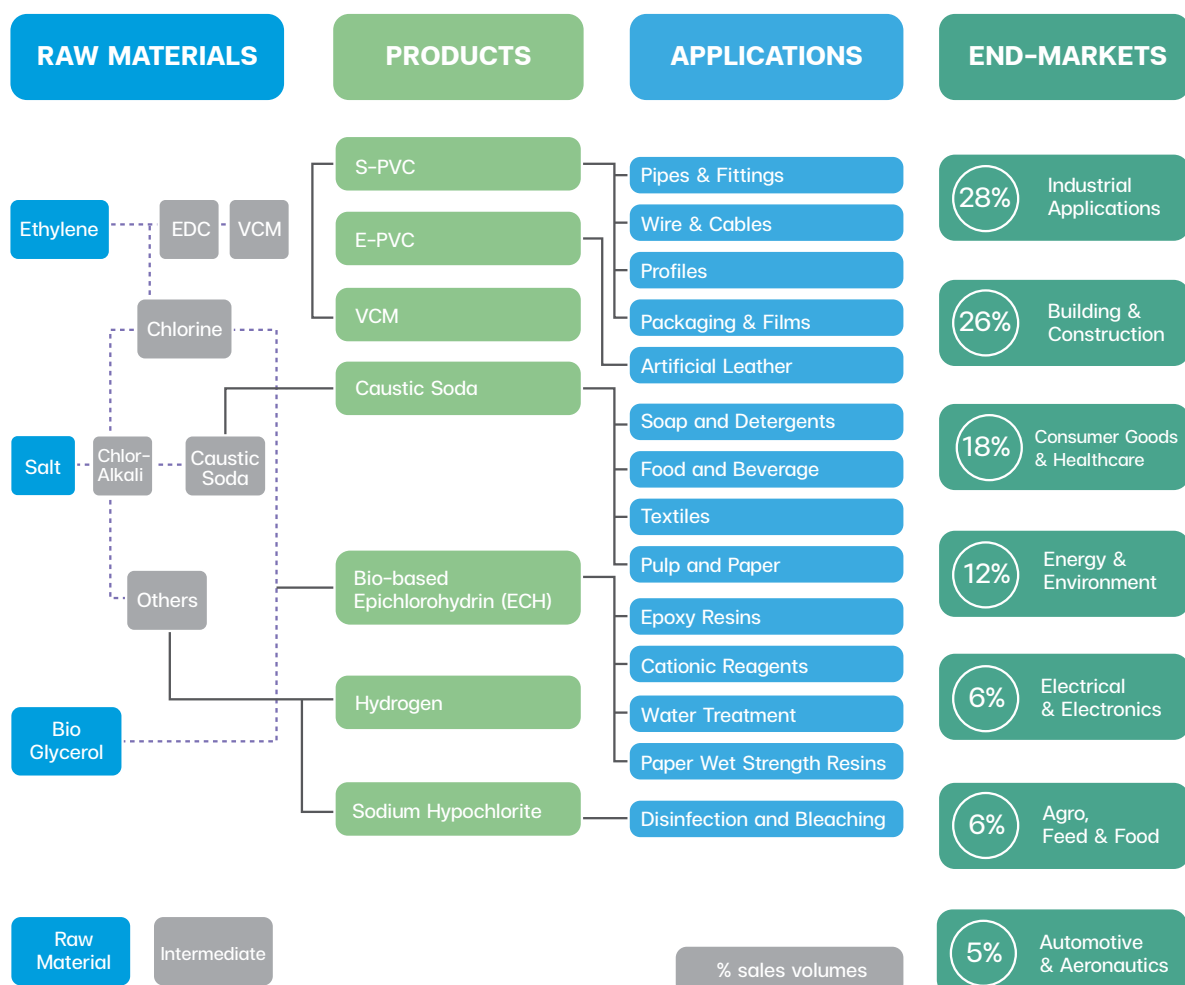
4. Quality and food safety, to promote and increase customer satisfaction in product and service and credibility to the stakeholders. Manufacture quality products with safety and hygienic standards by ensuring a comprehensive understanding of the product's hazards, risks, impacts and product safety obligations associated with its life cycle and intended usage.

To achieve this policy, the Company has set the following guidelines:

1. Execute PDCA (Plan-Do-Check-Act) cycle for continuous improvement.
2. Set up objectives and goals for implementation and to allocate sufficient resources.
3. Assess business risks and opportunities to reduce/control risks or increase/maintain business opportunities.
4. Provide training for People development and provide opportunities for all employees to participate in improvement of management systems as well as foster 'one-team' spirit enriched by Diversity throughout the company.
5. Continuously improve through risk-based approach and preventive principle, and best practices via established management tools and processes, including innovation & suggestion, excellence programs and sustainable development program for Innovation and Operational Excellence.

STAKEHOLDERS MANAGEMENT IN VALUE CHAIN

Business Value Chain



Stakeholders Analysis

AGC Vinythai adheres to social responsibility in implementing the principal 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.

AGC Vinythai Stakeholder Engagement

AGC 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.

Stakeholder	Expectations and Concerns	Response to Expectations and Concerns	Communication Channels and Frequencies
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. Moreover, for Bio-based Epichlorohydrin business, a EPINITY® LinkedIn page and website (https://epinitychem.com) serves as an online channel for business communications aiming mainly at customers, both existing and prospective, and parties along the epichlorohydrin value chain.

Stakeholder	Expectations and Concerns	Response to Expectations and Concerns	Communication Channels and Frequencies
Employees	- Physical working conditions improvement - Clear idea of work expectations - Compensation and Benefits - Performance Management System - Human capital development - Feel free to speak one's mind - Career stability and growth - Pride and satisfaction in working for the Company - Creating a common culture - Reasonable work volume - Treated with respect - Good use of personnel's skills and abilities	- Continue to uphold equal employment opportunities, respecting human rights and employees' rights as well as fair employment conditions. - Recognizing hygiene, safety and environment in the workplace as an utmost important priority to prevent any losses, injuries and sickness from work accident. For the continuing spread of COVID-19, AGC Vinythai continues to provide Surgical Masks as a protection and ATK test kits to employees in recognition of employees and their families' health. - AGC Vinythai has the policy to reward employees according to Company's Performance both Short-term and Long-term; and hold on to rewarding fairly to all employees in terms of basic salary, benefits and other forms of rewards. Compensation and benefits are being benchmarked with the industry to ensure that employees are secure. - Providing recognition awards for exceptional achievement. Encourages employees to "take ownership" to make job improvements - employees are provided the opportunities to show their potential and competence that Company promotes both as an individual and as a team - "Courage for Challenge", "Innovation and Change", "Innovation and Change" and "Leading towards Success" - The amalgamation brings people from 2 different work cultures together; we ensure that our people have the same understanding and share the same "Passion" to develop their abilities to continuously create value and maintain business excellence by: - Extends training to employees at operational level to understand the Company Objectives in order for employees to be able to relate and align their objectives with the direction of the Company which demonstrates the core competency - "Passion". - Extends Coaching and Performance Feedback to new managers in order for them to constructively feedback and support the career growth of their team members. - Continue to provide seminars and training sessions for all employee levels (both technical and non-technical) 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.	AGC Vinythai uses a range of internal channels to communicate with employees, including e-announcement, CSR events, posters, banners, intranet, internal TV, brochures, and small group discussions. - Communication on Amalgamation - HSE Committee meeting = 12/12 times - Welfare Committee meeting = 4/4 times - Union Negotiation - Employee Engagement Survey = 1 per 2 years

Stakeholder	Expectations and Concerns	Response to Expectations and Concerns	Communication Channels and Frequencies
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 solution caused by trucks • Green area expansion in communities	• Having CSR plan and implemented by responsible team • Providing scholarships for local students and youths are annually given at least in 2 occasions, annual robe presentation ceremony and Songkran festival. • Supporting learning, skills development, and marketing channels among community enterprise members under "Thammasat Model" in collaboration with Community Partnership Association • Sharing information about job opportunities through different channels i.e. Group Line, web site. • Supporting elderly and miserable people through MTP elderly and miserable people fund • 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. • Having organized or participated in environmental protection activities in different occasions such as tree planting, coral cultivation, clean up activity, etc.	• Sharing information about business activities and social activities in local newspapers, on-line newspapers or company website • Sharing information about safety and environmental management and social activities to IEAT, local government agencies and communities at least 2 times a year. • Visiting or participating in activities of 57 communities, 12 fishermen groups, 15 Schools and 30 Media outlets at least 2 times per month • Regularly promoting the new project and social activities through website
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 regulations • Early notice of convocations • Active response to shareholder votes (resolutions and results) • Satisfactory financial performance • etc.	• Drive 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 AGC 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 • Disclosure via Website of the company (www.agcvinythai.com) 24 hours

Stakeholder	Expectations and Concerns	Response to Expectations and Concerns	Communication Channels and Frequencies
Governmental agencies, and non-government organizations both domestic and international level	- Responsible business and operation with social and environmental responsibility with relevant legal compliance and government policy for Sustainable Business - Contribution to economic growth, job creation, and trade within the country. - Sharing knowledge, experiences, and best practices to enhance standard for sustainability - Strong network with related government offices and NGOs - Collaboration in workgroups or association organized by the network - Information, opinions sharing regarding the company's business and products to support and assistance for matters impact to the business overview from our network Cooperation for their activities by being an active member	- Regularly update, inspect and review of compliance with legal, regulations and relevant standards. - Never stopped putting our utmost effort and contribution in using the best solutions for becoming a low-carbon and sustainable business. - Presenting the Company's sustainable development activities in meetings or network seminars - Follow up channels, list of contact of government agencies and organizations on a regular basis. - Application and being active member of 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 - 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 - Signing a commitment to conduct a business with low carbon footprint and sustainability, in collaboration with both government and private sector organizations
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.	- 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.	AGC 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 - Dishonest accusation and defamation - The engagement with competitors may be individually, in coalitions and through trade associations on issues of mutual interest. This includes working together to implement sustainable business strategies and drive policy agendas which contribute to systems change.	- Strictly comply to our Code of Conducts. - 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

Key Principles

- **Compliance**, to comply with all applicable legal requirement, business code of conduct, obligations and standards in terms of occupational health and safety, environment, quality and food safety, embracing our shared value of Integrity.
- **Environment**, to develop and continuously improve the environmental management system for the production process and the company's products from a life cycle perspective, taking into account

all stakeholders. The company will conserve natural resources including sustainable use of resources, consideration of climate change, protection of bio diversity and ecosystems by directing and supporting personnel in order to contribute to the creation of an effective environmental management system.

Source: Management System Policy

Plan and Progress

	Pollution Prevention	Sustainable Use of Resources	Response to Climate Change
Target 2022 - 2024	Continue pollution reduction measures: - Maintain ISO 14001: 2015; - Continue factory waste reduction; - Continue air pollution and effluent monitoring; - Continue Eco Factory program per Federation of Thai Industries guideline.	Optimize main raw materials and utilities consumption: - Manage Salt, Ethylene and Glycerin sourcing; - Continue recycle condensate & brine system; - Utilize available H2 product to be energy source of our process; - Energize solar roof top to reduce electricity consumption in daytime.	Continue energy conservation and GHG emission reduction program: - Continue energy conservation by Energy Committee; - Process optimization at refrigeration unit; - Replace R22 refrigerant on air conditioners in each building through 2024.
Progress of major activities in 2023	Maintained ISO 14001: 2015 and environment monitoring program; - Implemented waste storage improvement project and maintained the zero landfill principal; - Studied and implemented VOCs reduction project - Maintained Green Governance award (Green star) guideline of the Industrial Estate Authority of Thailand (IEAT). - Join to the working team to follow up on new laws with government	- Maintained sourcing and set long term contracts with Salt, Ethylene and Glycerin vendors, including electricity and steam; - Implemented equipment improvement project which could save electricity and steam. - Continued reduce number of truck journey by optimizing transport and logistics efficiency; - Maintained the condensate (steam) & brine recycle; - Maintained H2 utilization (use instead of natural gas)	- Continued the energy conservation program by Energy Committee to closely monitoring of specific energy consumption; - Replaced Fluorescent to LED tube in production area for Electricity saving; - Install solar panel to reduce CO2 emission (Plan to energize 2024-Q1)

Environmental Performance

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

In 2023, environmental management strategies were driven for transparency, sustainable growth, quality, compliance, and benefits to all stakeholders.

Environmental Management Systems - EMS

AGC Vinythai continues to apply the environmental management approach of ISO 14001:2015, and Eco-Factory framework, also continuously passed the criteria of the Environmental Good Governance (White Flag - Green Star) of the Industrial Estate Authority of Thailand (IEAT). These management approaches

support AGC Vinythai and its subsidiary in receiving the “Environmental Good Governance Awards in 2023 from the IEAT for MTP1 and MTP2 consecutively. Moreover, AGC Vinythai continue to receive Green Industry level 4 Green culture which the company committed to improve the production process and continuously manage on environment.

In year 2023, the company organized meeting with “Community Relations and Environment Committee” which consist of the members from authorities, communities, fisherman groups and media. This committee allows the company and the project teams, Sakura and RCA5 will have an opportunity to not only share and update their project status but also receive valued suggestions and useful information from all committee members.



Environmental Audit

With continuous improvement according to environmental management (ISO 14001:2015) scope, AGC Vinythai had no major nonconformity identified by the certified body (BV). In addition, AGC Vinythai has worked on social participation and public relations surrounding the project to enhance knowledge and understanding of community and society among the area with the Industrial Estate of Thailand (IEAT). For example, participation in Environmental Good Governance (White Flag - Green Star) to conduct factory audits by a

committee consisting of representatives from the government sector, community representatives, community leaders and representatives of the Industrial Estate Authority of Thailand (IEAT), as well as the media. Its objectives are to support the adoption of environmental governance and social responsibility practices as a model. Building community understanding and trust including creating cooperation that will lead to sustainable coexistence. This audit is held every 6 months which from the previous audit results, AGC Vinythai has been consistently assessed at the level of "Excellent".



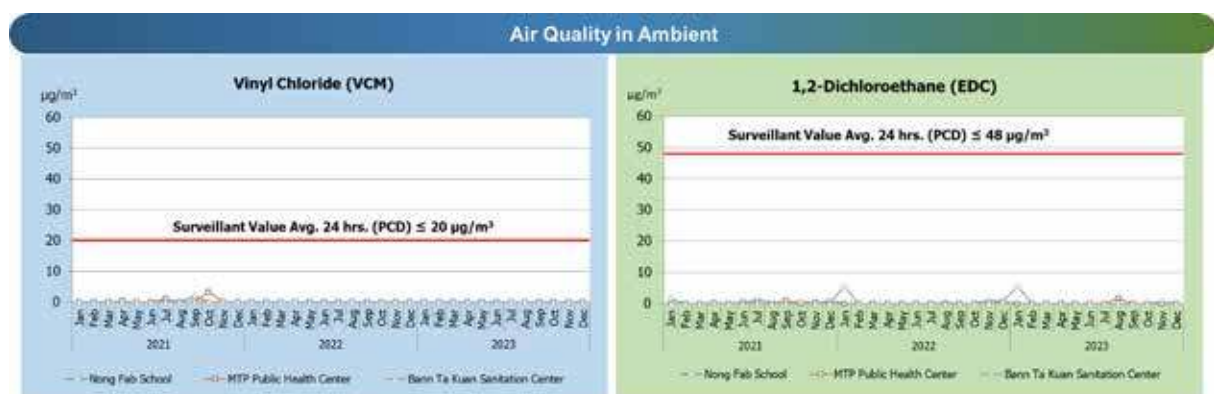
Water Resource Management

The systematic and cost-effective water resources management provides the assessment of risks and maps out the measures to cope with water shortage. In 2023, AGC Vinythai joined meeting as a member of the Water User Organization under the Water Resources Act 2018, as well as being a member of the Eastern Water War Room Working Group, which plays a role in cost-effective water resource management to cope with water shortage conditions in order to use the production process of the industrial group and prevent conflicts with the community in the area. Vinythai also operates a project to recycle wastewater in the production process including a project to install a reverse osmosis system that can recycle about 1,000 cubic meters of water per day. In 2023, the Mother Water Recycling Unit was successfully operated. Our water recycle projects are 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, control of air emissions, and the VOC controls and management.

AGC Vinythai maintained the "Air Quality Mobile Monitoring Project" to identify and monitor the air quality which may impact our employees, and to monitor the boundary air quality. We've continuously cooperated with the PVC manufacturing industry group in implementing the project to reduce the concentration of VOCs in the Map Ta Phut area in order to be efficient and conforms to general atmospheric standards complying to the announcement of the National Environment Board, No. 30, B.E.2550.



Water Pollution

Under the highest efficient use of natural resources concept of 3Rs, we ensure the 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 company's wastewater treatment system, and the treated effluence is discharged into public drainage canal.



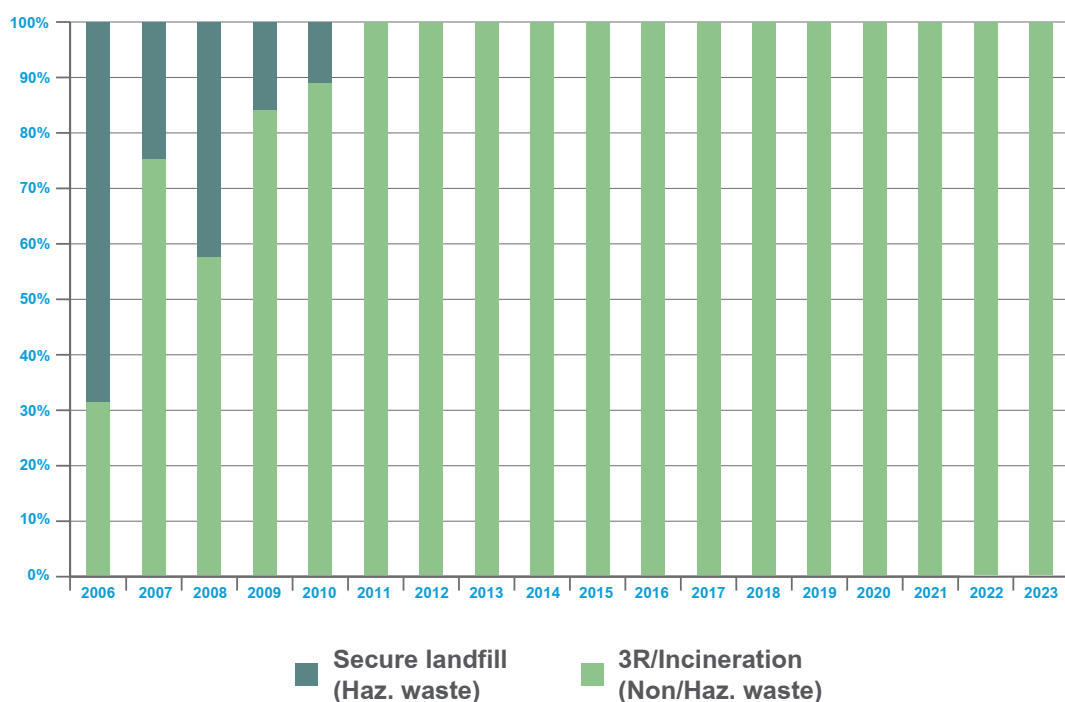
Wastewater Analysis Result

	Effluent Quality	pH	BOD (mg/l)	COD (mg/l)
2021	Jan - Dec	7.1 - 8.4	<2	<5 - 30
	Average	8.0	<2	13.9
2022	Jan - Dec	7.5 - 8.3	<2 - 5	<5 - 63
	Average	7.9	1.5	26.6
2023	Jan - Dec	7.0 - 8.5	<2 - 4.6	8 - 40
	Average	7.9	1.5	21.9
STD		5.5 - 9.0	≤ 20	≤ 120

Industrial Waste Management

The fully industrial waste management system has been implemented continuously throughout the transportation and transfer for safe disposal. These processes are handled in line with the regulatory controls. AGC 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, AGC 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. The example of activity is "waste to merit" which our employee together with JGCME company donated the recycle waste for community under the activities organized by government agencies.

Energy Conservation

Energy Conservation Policy

AGC Vinythai Public Company Limited is a manufacturer and distributor of chlor-alkali products in the intermediate petrochemical industry, such as Caustic soda (NaOH), Chlorine (Cl₂), Polyvinyl chloride (PVC) including bio-based Epichlorohydrin (ECH).

As integral elements in its business strategy, the Company gives due consideration to all health, safety and environmental issues pertaining to its business. The company is strongly committed to continuous improvement of its environment protection measures through reducing waste and emissions into the atmosphere, soil and water resources while promoting economical consumption of natural resources and energy.

Energy, especially electricity, is considered a key factor for the Company's operation. As such, the Company pays close attention to its energy consumption and control, including continuously studying and implementing Best Practices and Best Available Technology standards to achieve optimum energy conservation.

Moreover, AGC Vinythai implements a dedicated management system in respect of energy that embraces the following key principles:

1. Develop and maintain appropriate energy management systems and incorporate energy conservation into managements and operational plans.
2. Fully comply with relevant legal and regulatory requirements of energy conservation.
3. Establish Policy, annual energy conservation plans, targets and communicate them to all employees.
4. Provide all necessary supports in terms of resources, budgets, time, trainings and suggestion involvements to ensure success of its energy conservation objectives.
5. Continuously improve efficiency of energy resource consumption via plans, innovations and suggestions programs, including optimum application of Best Practices and Best Available Technology (BAT).
6. All management and staff share responsibility for successful implementation of the Company's energy conservation program, including making appropriate responses to issues indicated by audits and reporting on progress to the Company's Energy Management Committee.
7. Organize annual review of relevant management performance as well as policy and target compliance and achievement.

I firmly believe that the strong commitment of all our management and staff to these principles will ensure that the Company fully achieves its goal of sustainable growth matched with maximum energy conservation.



(Mr. Kazuaki Koga)
Managing Director

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 by brainstorming session 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 new employees and organized throughout the year.

Energy Conservation Training Courses and Performances 2023

Training Course	Group of Participants	No. of Participants	Average Training Hours (hrs./person/ yr.)
1. New Employee Orientation	New employees	54	0.07

Note: Average training hours = Total training hours / 1,150 persons

Measures to reduce energy consumption

Plans to achieve annual reductions in energy consumption include:

1. Efficiency Driven

- Recoating and remembraning the old electrolyzers.
- Maximize hydrogen consumption at PVC drying unit to reduce natural gas consumption
- Reduce steam consumption by heat recovery and process optimization
- Replace new air conditioners on each building

2. Technology Change

- Steam let down to generate an electricity
- Change technology of brine treatment
- Replace new steam trap by venturi technology

Enhancement of Logistics by train transportation mode

The salt transportation by train would decrease CO₂ emission from truck by using train transportation 70% of salt capacity. CO₂ emission can be reduced 8,100 tCO₂ /Year

Act on Climate Change

AGC 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. The company issued new integrated Energy Conservation Policy to comply with Ministry of Energy regulation.

Energy Conservation and Reduction of CO₂ in the Manufacturing Process

AGC 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 GHG emissions. AGC Vinythai received a Carbon Footprint Product (CFP) certificate (validation period: Jul 26, 2022 to Jul 25, 2025) and Carbon Footprint

Organization (CFO) certificate (validation data on 2021) 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; conducting utility-related energy conservation assessments; and starting to install solar panels.



Reduction of Greenhouse Gas Emissions

This year, AGC Vinythai continuously has been putting its effort into various initiatives in energy reduction projects with an aim to reduce GHG emission. Energy management committee provided basic knowledge to employees. After that we gathered the related ideas from brainstorming sessions. All ideas we gained were screened, investigated, and established in the technical implementation plan following PDCA approach (Plan-Do-Check-Act) which align to GHG emission reduction target in 2030. We have never stopped putting our utmost effort and contribution in using the best solutions for becoming a low-carbon and sustainable business.

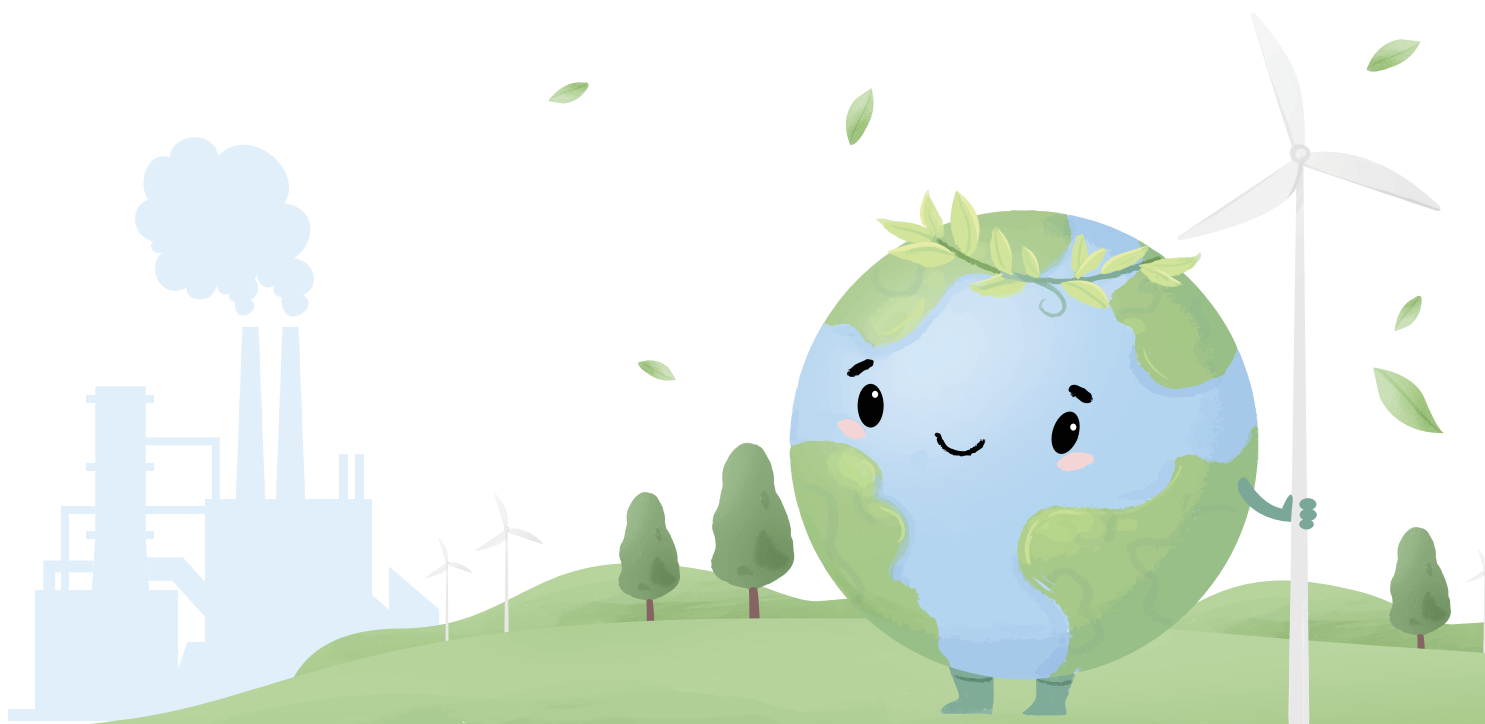


➤ SOCIAL MANAGEMENT FOR SUSTAINABILITY

Key Principles

- **Safety**, Occupational Health, Process Safety and Transport Safety is a part of our daily work. We realize that safety is the highest priority of all employees, contractors, and other stakeholders who work in the Company. The company commits to providing safe and healthy working conditions by eliminating hazards and reducing occupational health and safety risks. It also promotes and supports to continually improve occupational health and safety to prevent occupational injuries and illnesses including determination to give advice, to be informed and able to search for hazard analysis data in the production process including other information for safety at work and participation of employees and contractors in terms of occupational health and safety.
- **Compliance**, to comply with all applicable legal requirement, business code of conduct, obligations and standards in terms of occupational health and safety, environment, quality and food safety, embracing our shared value of Integrity.
- **Environment**, to develop and continuously improve the environmental management system for the production process and the company's products from a life cycle perspective, taking into account all stakeholders. The company will conserve natural resources including sustainable use of resources, consideration of climate change, protection of biodiversity and ecosystems by directing and supporting personnel in order to contribute to the creation of an effective environmental management system.
- **Quality and food safety**, to promote and increase customer satisfaction in product and service and credibility to the stakeholders. Manufacture quality products with safety and hygienic standards by ensuring a comprehensive understanding of the product's hazards, risks, impacts and product safety obligations associated with its life cycle and intended usage.

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 2022 - 2024	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; - Preventing AGC Vinythai employees and business partner from COVID-19 pandemic. • Compliance: HSE Regulatory Compliance and Monitoring. • Bad News First: Accident, Incident, and Near-miss Reporting. • Learn from Each Other: - Training and Education Centre development • Hygiene & Health: - Detailed risk assessment for unacceptable High-Substance Very High Concern (SVHC) - Enhance and deploy Hearing Conservation Program.	Develop employee skills training program: - AGC 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 continued from year 2019; - Employee Engagement survey in 2022; - Education & Training pillar (under TPM) was started in 2019 and on progress in implementation. - Supply Chain Academy was established in 2020 and continue to implement; - Continue innovation and suggestion program.
Progress of major activities in 2023	- Conducted HSE Committee & Welfare Committee meeting as plan; - Organized Code of conduct awareness training to all employee.	- Conducted survey risks associated with industrial hygiene and occupational exposures; - Maintained and monitored SHE improvement part safety (BBS, Ergonomic, Equipment safety, PPE), and surveyed for part Health & environment in all AM groups. - Maintained and strengthen a counter measure for COVID-19 prevention. - Security Management - Process Safety Management continuously improvement	- Sales & Marketing Academy was deployed with training roadmap and evaluated by project assignment - Supply Chain Academy was deployed and completed with functional competency assessment - Leadership & Management Development program was rolled out across organization for all position levels; - Skill Matrix development (under ET pillar) is on progress; - Learning Management System (LMS) was implemented and utilized to conduct On-line Compliance Training. - The Company Action Plan from Employee Engagement Survey (SMART Action) was defined and implemented.

Performance

Social Protection

AGC Vinythai Values its Employee Equalities

AGC 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.

AGC 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	2022		2023	
	Persons	%	Persons	%
Total Employee by Gender				
Male	923	79.23	949	79.41
Female	242	20.77	246	20.59
Total	1165	100	1195	100
Total Employee by Age				
Less than 30	229	19.66	266	22.26
Between 30-50	686	58.88	690	57.74
More than 50	250	21.46	239	20
Total Employee by Area				
Bangkok Office	110	9.44	110	9.21
MTP1 (Head Office)	582	49.96	592	49.54
MTP2	276	23.69	291	24.35
PPD1 & PPD2	197	16.91	202	16.90
Employees Turnover				
Turnover rate				
• By Gender				
Male	67	5.75	33	2.76
Female	20	1.72	10	0.84
• By Age				
Less than 30	25	2.15	15	1.26
Between 30-50	26	2.23	15	1.26
More than 50	36	3.09	13	1.08

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 Labour Union', '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.

Human Resource Development

Transform Organization Culture to Align with Business

In addition to the business strategy, the Company realized that distinct workplace culture contributed to business success as the accelerator factor. In 2023, we, therefore, focused on building collaboration and adaptability culture and deployed in our **Leadership Development Program, called One Team Journey**.

We organized a **Management Culture Workshop** to clearly define our corporate belief as well as expected behavior which consequently, were integrated into 2 training programs for all employees. All programs were aimed to foster effective interaction and achieve better team outcomes.

- **Outward Mindset Keynote** was conducted to cultivate an emphatic mindset that recognized other's need and put effort to support the success of the team.
- **New Me New Team** was conducted to reinforce collaborative behavior to drive team objectives and two-way communication.

We also started to develop Future Skills as the skills required for our employees would undergo significant changes in the next five years. To enhance **Digital Literacy**, we promoted and implemented more On-line Training Programs in our learning platform, **Learning Management System (LMS)**, which efficiently facilitated employee self-learning at anytime and anywhere. The on-line programs covered delivery of various courses:

- **Orientation Programs** for New Employees i.e. Company Overview & Product, Human Resources Management, ISO, IT.
- **Mandatory Programs** to fulfil management system requirement i.e. Code of Conduct, Internal Audit, ISMS, Product Stewardship, SHVC.
- **Optional Programs** to enhance employee knowledge i.e. Financial Management, Health

Lastly, we provided **Presentation Workshops**, to upskill **Data Storytelling** of our people in Business Function.

For Industrial Academy, we completed **252-hours New Hire Boot Camp** for newly hired employees, in both technical and non-technical functions, totally 71 employees from Map Ta Phut 1 plant, Map Ta Phut 2 plant and Phra Pradaeng plant. The Boot Camp covered Industrial Training Curriculum composed of industrial, Health, Safety & Environment as well general knowledge.

In addition, we developed a Technical Learning Center to showcase equipment and tools used in the production process, including demo and practical experiments such cutaway model for Membrane, Using Safety Showers or Eye Washers. The employees would gain additional knowledge and experience apart from the classroom.

We also enhanced the skills of 19 internal trainers by providing **Train the Trainer and Teaching Skill Program** before they conducted their classes at New Hire Boot Camp. Meanwhile, we started to implement Education & Training (ET) Pillar of TPM so as to ensure the skillful people in Technical functions. We defined the Skills List and Skills Level needed for each position in Technical Divisions. This brought about Skills Matrix for Skills Evaluation and Fulfillment. In year 2023, we conducted 6 classrooms and 2 workshops to fulfill the skill gap of 304 employees in 10 skills. All activities were aimed for the ultimate outcome of 'skilled and competent people'.

Working Conditions

AGC 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.

AGC Vinythai adheres to reduce and eliminate the health hazard as well as endorses quality of life improvement for employees through various activities and projects.

Accident / Incident Record

Safety Statistic	2022	2023
Injury Frequency Rate (IFR)		
• Employee	3.82	2.79
• Contractor	2.34	2.87
Injury Severity Rate (ISR)		
• Employee	0	0
• Contractor	35.86	0

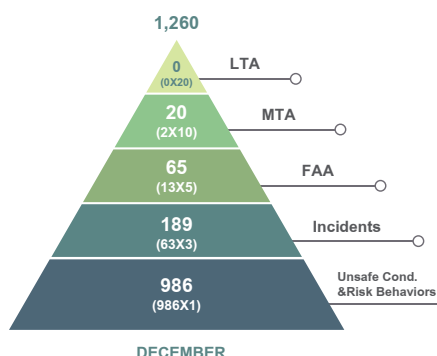
Identifying Hidden Risks for Incident / Accident Prevention

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.

Year	Safety Hazard Index	Number of unsafe con and risk behavior	Number of closed unsafe con and risk behavior	Number of on-going unsafe con and risk behavior
2021	932	3,457	2,677	780
2022	4,427	5,002	4,174	828
2023	1,260	3,578	2,719	859

Accident / Incident Record



Hazard Elimination

The goal of hazard identification is to find and record possible hazards that may be present in our workplace. In 2023, all hazard reports from AGC Vinythai employees and contractors were 3,578 reports (As of December, 2023) and the best way to fix a hazard is to get rid of it altogether.

Maintaining Occupational Health and Industrial Hygiene

AGC 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 Occupational illness and diseases, which the company occupational illness and disease in 2023 was not observed (0 case).

- **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. “Fit To Work” practice is 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.

Security Management

AGC 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.

Drugs Test:

According to the white factory campaign, the company had conducted the drugs test for many years by using both Sweat patch test or immunoassay method.

In 2023, AGCVinythai 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

The PSM is still continuously improved along with the on-going operating the process, the key activities are as following:

- Developing Process Risk Analysis Leader by enhancing capability of our personnel on the safety risk analysis and assessment.
- Conducting Process Safety Elements Knowledge to newcomer to raise knowledge and awareness and how to work safely.
- 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 2023.
- The process safety risk analysis has been reviewed regularly as planned to include enhancing on the safety engineering standards of the company also.

Process and Transport Safety Statistic	2020	2021	2022	2023
Process Safety Incident	1	1	1	0
Transport Safety Incident	0	2	7	0

In collaboration with neighboring companies, communities and local governmental agencies, AGC 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.

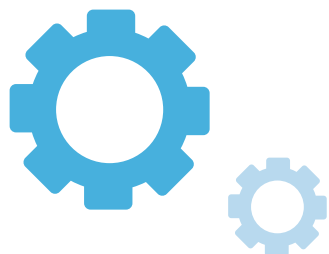
Emergency Preparedness and Business Continuity Management (BCM)

In collaboration with neighboring companies, communities, and local governmental agencies, AGC 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

Even though the coronavirus disease (COVID-19) epidemic has spread more slowly and less intensively, the company's preventive measures were reviewed and modified according to the change of situation. Moreover, the company had a well-prepared continuity plan and procedures to prevent the spread of Covid-19, and to be ready for tackling the outbreak in the future. This measure will ensure good health and safety condition of our employees as well as continuity of business operations.

The key measures were developing and implementing Business Continuity Plan (BCP) to manage Covid-19 situation in AGC Vinythai until August, 2023



FAIR OPERATION PRACTICES

Plan and Progress

	Compliance with Antitrust and Related Laws	Social Responsibility in the Supply Chain
Target 2022 - 2024	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 2023	- 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 trucks, Hydrochloric Trucks, and Sodium Hypochlorite Trucks to avoid driver drowsiness and distraction while driving; - Received feedback via Supplier management, complaints channel; - Partially switch 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 Government Section

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 follow;

Transport Safety

AGC 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. The Company have implemented all the measures to proceed Logistics Operation with High Safety Standard, friendly environmental and Society responsibility.

In 2023 AGC 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. Set Truck Service Year in order to prevent accident caused by truck conditions.
9. Installed Fatigue and Distraction System into all trucks who carry out Vinythai's products, 303 trucks were installed the Fatigue and Distraction Detection System and extend its use for driver driving hour control for ensuring Safety Transport.

10. Partially switch Salt Transport from Truck mode to Train mode to reduce Salt Truck on public road.
11. Implemented Logistics 4.0 for PVC delivery for On-line tracking delivery status and immediate satisfaction evaluation by customer after delivery.

In addition, the Company have closely cooperated with Customers and Transporters to review regularly Transport Safety Operation.

Supplier Management and Assessment

AGC 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 AGC Vinythai
Percentage of new suppliers screened using human rights criteria	100	Compliance with Thai law is specified as criteria in the contract
Percentage of new suppliers screened using impact on society criteria	100	For service agreement suppliers
Number of suppliers with ISO14001 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

98% of the company's procurement for raw materials is accounted for 15% Ethylene from PTT Global Chemical PLC.(DJSI), 10% Glycerine Suppliers (RSPO or ISCC) and 73% Salt from Pimai Salt Co., Ltd. (2022 Green Mining Award). All Key suppliers have environment certification/label status.



Reference: GC SET Opportunity Day Q3'23 Presentation, 08 Dec'23, P.4

Consumers

Plan and Progress

	Product Safety	Customer Satisfaction
Target 2022 - 2024	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 2023	- Tracked and evaluated regulatory compliance for all products of AGC Vinylthai. - Reviewed Product Stewardship Policy and communicated with relating stakeholders. - Updated and Monitored SDS distribution for commercial products. - 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. - Raise awareness and provide training on topics of (1) product stewardship introduction and awareness, and (2) chemicals substance of very high concerns management and controlled.	- Continued "PVC Product Quality Improvement and Product Variety program" to respond to customer requests, maintain customer trust and develop new product grades to meet customer needs. - CRM activities - including Customer Seminar and Customer Technical training, to strengthen relationship. - In response to specific customers of Bio-based Epichlorohydrin (EPINITY®), AGC Vinylthai is working on a sustainability certification (ISCC, RSPO), a comparative life cycle analysis, and a project to set up a stock point nearby some key accounts.

Performance

Product Stewardship

AGC 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

AGC 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 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.

Safety Data Sheets (SDS) Authoring and Distribution

AGC Vinythai sends the Safety Data Sheet of all products and distributed them to all customers in different languages along with the first delivery and when the SDS has been significantly modified. 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.

We ensure and monitor that SDS are revised at least every three years for all the sale products and currently places products on the markets and provides safety data sheets (SDS) in around 30 languages and specific SDS more than 50 countries.

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.

Compliance with REACH and Other Regulations

The company continues to adapt to emerging new product regulations in other countries and ensure that our products comply with all the relevant regional and national chemical regulations such as REACH (Registration, Evaluation, Authorization and Restriction of Chemical Substances) in European Union, UK REACH in the United Kingdom, K-Korea in south Korea, and KKDIK in Turkey.

Customer Satisfaction

In pursuit of its vision - "Growing with You - as a Trusted and Innovative Partner" - AGC 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. AGC 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.

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.

In 2023, company conducted the new customer satisfaction survey by both online survey and interview. The survey response rate was approximately 74% from all customers, including 91% of key accounts. AGC Vinythai's overall satisfaction score is high for all products. Higher scores of willingness to continue buying and buy more have been observed, comparing to previous customer satisfaction survey. However, there is room for improvement in the "offer new innovation" aspect which company will take it into consideration for further actions. The company will also continue maintaining a strong corporate image across product range.

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.

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 2022 - 2024	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 - Continually organize aquatic animals releasing event with a fishermen group - Continually organize tree planting activity Health and Safety - Continually support project/activities that enable locals stay healthy such as organization of annual Noenphra-AGC Vinythai Minimarathon - Continually organize an annual emergency drill with community Youth Education - Enhance youth's 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 for community enterprise products - Continually support 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, petrochemical and Chlor-alkali production with universities, national and international associations and concerned governmental offices. - Being active members of member associations - Keep regular communication with major organizations - Sharing knowledge, experiences, and best practices to enhance standard for sustainability

	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 2023	Environment - Coral Cultivation project was officially established in Ko Kledkaew, Chon Buri province while a conservational group in Ko Tao, Surat Thani was invited to join the project. - The open house events were organized at all 3 plants. - 250 employees and their family members joined the 21st international coastal cleanup activity and other cleanup activities on different occasions. - Aquatic animals releasing event was organized at Nongfab fishermen group Health and Safety - The 13th Noenphra-AGC Vinythai Minimarathon was organized with having around 3,500 participants Youth Education - Scholarships were provided to local school students and local youths from 50 communities. Cultural and Traditional Support - Visit and participated 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 - Participated in Thammasat Model project in leveraging Kokok community enterprise's marketing knowledge and strategies.	- Implementing an electronic system to monitor and evaluate in systematically collecting, storing legal regulations, and monitoring compliance with the law (E-legal Compliance system) and Submit required report as scheduled. - Support information for drafting laws and regulations, trade negotiations, safety and environment by various government agencies; - o Position Paper on Extended Producer Responsibility (EPR) for Packaging through the Thai Chamber of Commerce, in driving the implementation of packaging management strategies in collaboration with relevant sectors and other stakeholders going forward. - o Draft Legislation and Amendments to Policies and Plans related to the Management of Solid Waste and Packaging Waste - o Guidelines for Promoting Trade in the Saudi Arabian Market - o Draft of Guidelines for Fire Suppression Foam Handling and Recordkeeping Regarding PFOS, PFOA, or PFHxS - o Hydrogen Fuel: Powering a Sustainable Future - Organize the Asia Pacific Vinyl Network (APVN) Assembly Forum and General Assembly meeting with the Global Vinyl Council (GVC) and ASEAN Vinyl Council (AVC) in Ho Chi Minh City, Vietnam. The objective is to share information, facilitate a better understanding, and enhance the management of environmental, safety, and health issues and perceptions related to PVC in the region, ultimately advancing the sustainability of the vinyl industry - Hosting the Annual Emergency Seminar and Drill for the transportation of Liquid Chlorine Gas products by the Chlor-Alkali Product Transportation Emergency Mutual Aid Group (CATEMAG), in collaboration with stakeholders. - Signing a memorandum of understanding between the Department of Industrial Works and industrial plants in the Eastern Economic Corridor (EEC) and other areas to reduce pollution and greenhouse gas emissions under the BCG Economic Drive Policy for the industrial sector towards CO2 reduction.

Performance

AGC 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 Management

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

- Around 250 employees and family members jointly clean up the beach on the 21st International Coastal Clean-up Day together with local authorities, other companies and communities at Saengchan Beach.
- The coral cultivation project was newly established in in Ko Kledkaew, Chon Buri province while a conservational group in Ko Tao, Surat Thani province, was invited to join the project.
- The company in collaboration with Nongfab fisherman group hosted aquatic animals releasing event. 250 participants from authorities and private partners jointly released 1,900,000 baby aquatic animals.
- 160 locals in Map Ta Phut and Banchang areas visited 2 AGC Vinythai's plants, Map Ta Phut 1 and Map Ta Phut 2 in Rayong while 50 locals in Phra Samut Chedi district visited Prapadaeng Plant 1 in Samut Prakan. All visitors were invited to learn about the company's safety and environmental management and welcomed for their suggestions. Moreover, they had an opportunity to learn about sufficient economy at New Theory Agriculture Learning Center, Sattahip, Chon Buri.

Health and Safety

- In collaboration with Noenphra Municipality and communities, AGC Vinythai organized the 13th Noenphra-AGC Vinythai Minimarathon for the HRH Princess Soamsawali Cups. The event involved over 3,500 participants. The ongoing project is acclaimed for encouraging the public to exercise and for promoting the tourism potential of Sangchan-Suchada Beach.
- Donation was regularly conducted to Map Ta Phut elderly and miserable people fund.

Educational Support for Youths

- Scholarships were presented to the selected children in 38 communities and 11 fishermen groups 5 local schools.
- Coral Cultivation exhibition was displayed to educate youths and interested people about coral conservation in 4 schools during National Science Week 2023



Activities Supporting Religion, Traditions and Important National Days

The company cooperated with surrounding communities to fund and organized the annual ceremonial presentation of robes at Kae temple in Samut Prakan where is located near Prapradaeng 1 plant. Moreover, our employees also joined and arranged some food to support the ceremony at temples in Map Ta Phut and Banchang area.

Other examples include renovation of a mosque in a Muslim community in Map Ta Phut. In addition, company staff volunteer for worthy causes undertaken as part of significant national celebrations such as His Majesty the King's Birthday and Her Majesty the Queen's Birthday and Children's day.

Occupational Development and Community Well-being

AGC Vinythai staff visited communities around Map Ta Phut, Banchang and Prapradaeng area to strengthen awareness and understanding about 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. As an active member of the Community Partnership Association, AGC Vinythai together with other members support an occupational group in Kokok community to develop an on-line hub of local product platform through Thammasat Model.



MANAGEMENT DISCUSSION AND ANALYSIS: MD&A



February 23rd, 2024

The Company wishes to present the Management Discussion & Analysis (MD&A) on the operating and financial status for the year 2023. The MD&A would enable the investors to better understand the Company and its subsidiaries' 2023 reviewed financial statements.

An Analysis of Performance *

Analysis of Income

The total revenues for this fiscal year ended December 31 2023 were 34,868 MTHB of which 34,402 MTHB earned from sales revenues, an decrease of 13,716 MTHB or 28.5% comparing to the previous year. The decrease in sales revenues is attributed to lower average selling prices, which were affected by weakened global demand, economic slowdown, and rising inflation and interest rates. Despite these challenges, the company has maintained its sales volume at the same level as in 2022

There was a slightly change in the share of PVC domestic and export sales compared to the previous year and other product remains similar as shown in the below table.

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

Sales Revenues	2023		2022	
	MTHB	%	MTHB	%
Domestic Sales				
1. PVC Resins	5,801	16.9	14,042	29.2
2. Caustic Soda	7,324	21.3	9,881	20.5
3. VCM	1,436	4.2	2,210	4.6
4. Chlorine	1,811	5.3	1,719	3.6
5. ECH	626	1.8	1,298	2.7
6. Others	1,815	5.3	2,068	4.3
Total Domestic Sales	18,813	54.7	31,218	64.9
Export Sales				
1. PVC Resins	8,911	25.9	6,845	14.2
2. Caustic Soda	1,919	5.6	1,449	3.0
3. VCM	-	-	-	-
4. Chlorine	79	0.2	103	0.2
5. ECH	4,317	12.5	8,160	17.0
6. Others	363	1.1	344	0.7
Total Export Sales	15,590	45.3	16,901	35.1
Domestic and Export Sales				
1. PVC Resins	14,712	42.8	20,886	43.4
2. Caustic Soda	9,243	26.9	11,330	23.5
3. VCM	1,436	4.2	2,210	4.6
4. Chlorine	1,890	5.5	1,823	3.8
5. ECH	4,943	14.4	9,458	19.7
6. Others	2,179	6.3	2,412	5.0
Total Domestic and Export Sales	34,402	100.0	48,119	100.0

Analysis of Cost and Expenses

1. In 2023, Cost of sales was 28,287 MTHB, decreased by 7,608 MTHB or 21.2% compared to the year 2022. This reduction was mainly due to the soften price of Ethylene and Glycerine. The primary reason for this decline was an oversupply in the market coupled with diminished demand due to the economic slowdown.
2. In 2023, Distribution costs and Administrative Expenses was 2,158 MTHB, decreased by 778 MTHB or 26.5% comparing to the year 2022. This reduction was primarily due to the stabilization of transportation costs following the supply chain disruptions experienced during 2021-2022.
3. The company and its subsidiaries recorded income tax expense of 820 MTHB, decreased by 888 MTHB compared to the year 2022 as a result of lower profit.

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

Summary of Performance

In the fiscal year 2023, the company and its subsidiaries experienced a significant financial downturn, evidenced by a 50% decrease in gross profit or 6,115 MTHB. This decline from the previous year primarily resulted from reduced average selling prices amid a global economic slowdown and recessionary pressures. Although the selling prices suffered, the impact was somewhat mitigated by the reduced costs of key raw materials as well as stabilization of transportation costs.

The Company and its subsidiaries recorded net profit of 3,496 MTHB, dropped by 54.6 % or 4,205 MTHB compared to the previous year, this was mainly from lower average selling price as mentioned above.

An Analysis of Financial Status *

Analysis of Assets

As at 31 December 2023, the Company and its subsidiaries had 51,037 MTHB of the total assets, which was decreased 1,479 MTHB or 2.8% from the previous year.

Details of the major changes were following:

1. As at 31 December 2023, the Company and its subsidiaries had net cash and cash equivalents amounting to 14,055 MTHB, a decrease of 8,956 MTHB or 38.8% from 23,011 MTHB reported in the year 2022. (see further information in analysis of cash flow)
2. The balance of trade and other current receivables at the end of 2023 was 5,262 MTHB, a decrease of 38 MTHB from 5,300 MTHB reported in the year 2022, Most of the receivables were not yet due. For the corresponding bad debt, the Company and its subsidiaries had already set sufficient provision.
3. The Company and its subsidiaries had net inventories at the end of 2023 amounting to 2,604 MTHB, a decrease of 52 MTHB from 2,656 MTHB reported in the year 2022
4. At the end of 2023, the Company and its subsidiaries had net property, plant and equipment, right-of-use assets and intangible assets amount of 25,360 MTHB, an increase of 8,532 MTHB from 16,828 MTHB reported in the year 2022, this was mainly due to the increase in acquisition of assets for expansion project.
5. The investment in associate of 2023 was 951 MTHB, an increase of 73 MTHB from 878 MTHB reported in the year 2022 from the increase of share capital in Pimai Salt co Ltd.

Analysis of Liabilities

The Company and its subsidiaries had total liabilities at the end of the year 2023 amount of 6,840 MTHB which decreased by 1,089 MTHB or 13.7% compared to the previous year, primarily due to decrease in trade payable, accrued income tax and other current liabilities partially offset with an increase employee benefit obligation.

Analysis of Shareholders' Equity

As at 31 December 2023, the shareholders' equity was 44,197 MTHB which decreased by 390 MTHB or 0.9 % comparing to 44,587 MTHB at the end of the year 2022. The decrease was due to distributed dividends in 2023 exceeded the profits earned during the year.

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

Analysis of Cash Flow

As of 31 December 2023, the Company and its subsidiaries' s Statement of cash flow presented 14,055 MTHB of cash and cash equivalents. The sources and uses of funds were following:

1. In 2023, the Company and its subsidiaries generated positive cash flow from operating activities of 3,783 MTHB which decreased by 5,753 MTHB compared to 2022, substantially due to a decrease in profit this year as a result of factors discussed above.
2. In 2023, the Company and its subsidiaries has cash outflow from investing activities of 8,829 MTHB, decreased by 10,364 MTHB comparing to the cash inflow from investing activities amount of 1,535 MTHB reported in 2022, mainly due to the investment of the expansion project.
3. In 2023, the net cash outflow used in financing activities was 4,169 MTHB, increased by 557 MTHB comparing to 2022 mainly due to the increase in annual dividend.

Net cash flow from operating activities	3,783 MTHB
Net cash flow from investing activities	(8,829) MTHB
Net cash flows used in financing activities	(4,169) MTHB
Translation of the financial statement	(47) MTHB
Effect of exchange rate changes on cash and cash equivalents	207 MTHB
Net decrease in cash and cash equivalents	<u>(9,055) MTHB</u>

Financial Ratios

	2023	2022
Gross profit margin	17.8%	25.4%
Net profit margin	10.0%	15.9%
Debt to Equity ratio	0.15	0.18
Earnings per share	1.47	3.52
ROA	8.5%	19.7%
ROE	7.9%	19.2%

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

Yours faithfully,

(Mr. Tomotaka Yoshikawa)
Managing Director

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

GENERAL INFORMATION AND OTHER INFORMATION



General information

Ordinary Share Registrar	:	Bank of Ayudhya Public Company Limited 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Tel. : 02-2964772, 02-2962796, 02-2964788, 02-2965696, 02-2965689, 02-2965692, 02-2962030, 02-2965695 E-mail : BAY_Registrar@krungsri.com
Auditor	:	Ms. Sirinuch Vimolsathit and/or Ms. Sureerat Thongarunsang and/or Mr. Waiyawat Kosamarnchaiyakij KPMG Phoomchai Audit Limited 48 th Floor, Empire Tower 195 South Sathon Road Yannawa Sub-District Sathon District Bangkok 10120 Tel. : +662 677 2000 Fax : +662 677 2222
Legal Counsel	:	Baker & McKenzie Ltd. 25 th Floors, 990 Abdulrahim Place Rama IV Road, Bangkok 10500, Thailand Tel. : +66 2666 2824 Fax : +66 2666 2924
	:	Chandler MHM Limited 36 th Floor, 98 Sathorn Square Office Tower North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand Tel. : +66-2-009-5000 Fax : +66-2-009-5080
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. Amnuay 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 official receiver.

On 3 June 2015, AGC Vinythai Public Company Limited, incorporated from the amalgamation between Vinythai Public Company Limited and AGC Chemicals (Thailand) Co., Ltd dated 1 July 2022, as the 25th Creditor (an unsecured creditor) and as 26th creditor (a secured creditor) file the application claiming for repayment of debts with the receiver. The Company as the 25th creditor, an unsecured creditor, claimed for repayment of debts in accordance with the Thonburi Civil Court’s judgement of the Red Case No. 1547/2552 which adjudicated according to the International Arbitration Court of Board of Trade’s Arbitration award (“Arbitration Award”) No. 15490/JEM/CYK dated May 2009, at the claimed amount of Baht 715,238,590.69 Baht. However, the Central Bankruptcy Court has permitted the Company to claim for repayment of debts at the amount of 689,499,478.50 Baht. The Company, therefore, has appealed against the Bankruptcy Court’s decision for the claimed amount of 25,848,842.19 Baht with the Supreme Court.

On 26 November 2019, the Central Bankruptcy Court pronounced the Supreme Court’s order not permitting the Company to appeal the claimed amount of 25,848,842.19 Baht with the Supreme Court. Therefore, the Claim for repayment of the Company as 25th Creditor has been final at the amount of 689,499,748.50 Baht. The Company as the 26th Creditor, the secured creditor, claimed for repayment of debts in accordance with the Thalingchan Provincial Court’s judgement, the compromise agreement and the share pledge agreement dated 30 November 2006, at the claimed amount of 811,659,447.48 Baht.

On 29 January 2020, the first creditor meeting resolved to accept the proposal for composition of debts before bankruptcy of the 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 March 12, 2020, the Court ordered the 1st, 2nd, and 6th debtors bankrupted, 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 November 10, 2020, the Court issued an order agreeing to the pre-bankruptcy debt composition of Gamma Products Co., Ltd., Debtor No. 4.

Currently, the debtor’s assets are being collected by the receiver to be auctioned off in order to distribute the money to repay debts to all creditors.

Secondary Market

-None-



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE POLICY



Policy and practice of Corporate Governance

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. The Company's management improves the corporate governance practices continuously.

To ensure that AGC 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, management, and employees to observe in their performance 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 management 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 performance of duties in accordance with the good corporate governance principles.

Code of Conduct

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

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 subsidiary located in Thailand including third parties acting on behalf of the Company.

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

1) We are fair and honest in our business

- 1.1 Fair Competition and Antitrust Policy
- 1.2 International Trade Controls Policy
- 1.3 Gifts and Entertainment Policy
- 1.4 Conflicts of Interest Policy
- 1.5 Money Laundering and Funding of Terrorism Policy

2) We ensure a safe and helpful workplace

- 2.1 Workplace Health and Safety Policy
- 2.2 Diversity and Inclusion Policy
- 2.3 Reports and Records Policy
- 2.4 Protection of Assets and Confidential Information Policy

3) We care for our communities

- 3.1 Quality and Safety of Products Policy
- 3.2 Environment Policy
- 3.3 Relations with Government Officials and Politicians Policy
- 3.4 Insider Trading 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: <https://agcvinythai.com/wp-content/uploads/2022/11/COC-AGC-Vinythai-Eng-20221121.pdf>)

Major changes and developments in policies, practices, and corporate governance systems.

Implementation of the Principles of Corporate Governance year 2017

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 2017 of the Office of Securities and Exchange Commission. The Company has adopted those principles for implementation.

Compliance with good corporate governance principles in other matters

With the aim of further strengthening its governance systems, the Company has continued to implement action plans that reinforce its compliance as detailed below:

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 participate in shareholders' meeting, voting rights to elect board members and approve directors' remuneration, the right to receive dividends, etc. The Company also regularly discloses its information. Shareholders are actively encouraged to exercise their rights, as follows:

Prior to the Annual General Meeting of Shareholders (AGM)

- The Company announced a meeting schedule along with the agenda through the Company's website, upon the resolutions of the Board of Director to convene the shareholders meeting.
- 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 The notice of the shareholders' meeting and the agenda included and provided the significant and sufficient detailed information; and were distributed together with; a barcode registration form; a copy of the Company's Articles of Association relating to the shareholders' meeting; proxy forms containing name and details of director, appointed as proxy, and details about the credentials each shareholder needs to bring to the meeting.
- The Company distributed the notice of shareholders' meeting and relevant documents as above-mentioned, to shareholders. The distribution took place 7 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 7 days ahead of the meeting and communicated such disclosure. The Company also publicized the notice to call a shareholders' meeting in Thai daily newspapers for 3 consecutive days prior to the meeting.

On the Shareholder Meeting Day

- Company organized the Meeting via electronic media or E-Meeting only by live broadcasting from Mitrtown Office Tower. The E-Meeting was conducted in accordance with the requirements on electronic meeting as set out in the Emergency Decree on Electronic Meetings B.E. 2563 (2020) and the Notification of the Ministry of Digital Economy and Society re: Standards for Maintaining Security of Meetings via Electronic Means B.E. 2563 (2020)
- 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, 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) Each shareholder shall have one vote per one share.
 - 2) A shareholder and a proxy may vote in favor of, against, or abstain from voting for each agenda item upon registration.
 - 3) Shareholders attending the Meeting in person or by proxy shall cast only one type of vote, whether to vote for approval, disapproval or abstention. The votes on each agenda item cannot be divided, except for the votes of custodians.
 - 4) When Mr. Kazuaki Koga requests the Meeting to put a vote to any resolution, the shareholders shall go to the Vote menu in the E-Meeting system then select "Approve", "Disapprove" or "Abstain" and click the Send button to cast the vote. The Company will allow 1 minute of voting time for each agenda item. If a shareholder does not vote on an agenda item within the time limit, the system will consider that the shareholder voted "Approve" for that agenda item.
 - 5) Only the votes casted 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.

- 6) Where a shareholder has appointed a proxy for the E-Meeting and has casted his/her votes in the proxy form, the votes shall be counted as marked by the shareholder. If the shareholder does not indicate his/her intention, and the proxy does not vote against, such shareholder shall be deemed to vote for that resolution.
- 7) A vote shall be considered void in the event that the shareholder or the authorized proxy fails to clearly specify their intention in the proxy form, such as when more than one box is marked on the proxy form, the votes are allocated (except for the votes of custodians), or a signature is not provided to verify a correction of votes made on the proxy form.
- 8) The Company has prepared to present the result of vote counting for the agenda item for which there is voting. The result of the voting shall be shown, together with the percentage of affirmative votes, votes of disagreement or abstention, and void ballots (if any) out of the total number of shares held by the shareholders present at the Meeting.

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 held in 2022 included Chairman of the Board of Directors, Vice Chairman of the Board of Directors, Managing Director, Chairperson of the Business Advisory Committee, and other Board members totaling 8 persons. The Chairman of the Board of Directors assigned the Managing Director to be the Chairman of the meeting. In addition, the Company's legal advisor 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.

- 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.
- Lawyers from Baker & McKenzie 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 Shareholder Meeting Day

- The Company notified the resolutions of the Shareholders Meeting after the Shareholders Meeting through the Company's website. 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 within 14 days after the date of shareholders' meetings and

posted on the Company's website. In addition, to ensure the transparency, the meetings were videotaped by the Company.

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.

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, 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. 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 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.

- Any director or management, who may have a vested interest in any transaction or matter directly affecting the Company, should not participate in the decision making process on such issue.

3. Role of Stakeholders

The Board of Directors has fully appreciated the value of the support of all groups of stakeholders, recognizing that they all contribute to the Company's competitiveness and corporate profits. 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

AGC 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, respect for human rights and respect 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.
- 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.
- 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. 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 behaving in accordance with accepted rules of etiquette and good competition within the framework of the law.

Community, Society and Environment

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

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

- Creating business practices and implementing activities that are responsible and beneficial to society, both in the short and long term, and focusing on business transactions with trade partners who share common intentions regarding social and environmental responsibility.
- Supporting learning and skills development among youths and the public and promoting awareness of natural resource and environment preservation in communities and Thai society.
- Providing correct information, creating understanding, and listening to problems and information about impacts on surrounding communities with a view to implementing appropriate solutions, all based on the principle of co-existence between the Company's plants and communities for mutual benefit and without conflict.

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

Public Sectors

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

4. Disclosure of Company Information

The Company is committed to providing equal treatment, 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.

- **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 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.

- **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.

The holding of the Company's shares by the Director and Management as of 31 December 2023 and changes from the past year is as follows:

- *Directors: None of Directors holding the company's share*
- *Management: None of 7 managements holding the company's share*

- **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 9 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.

The Chairman and Managing Director are not 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 a major shareholder, namely, PTT Global Chemical Public Company Limited.

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 commits 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. In addition, the company has improved the Corporate Governance Policy and Code of Conduct manual.

Board and Management and Employee Training

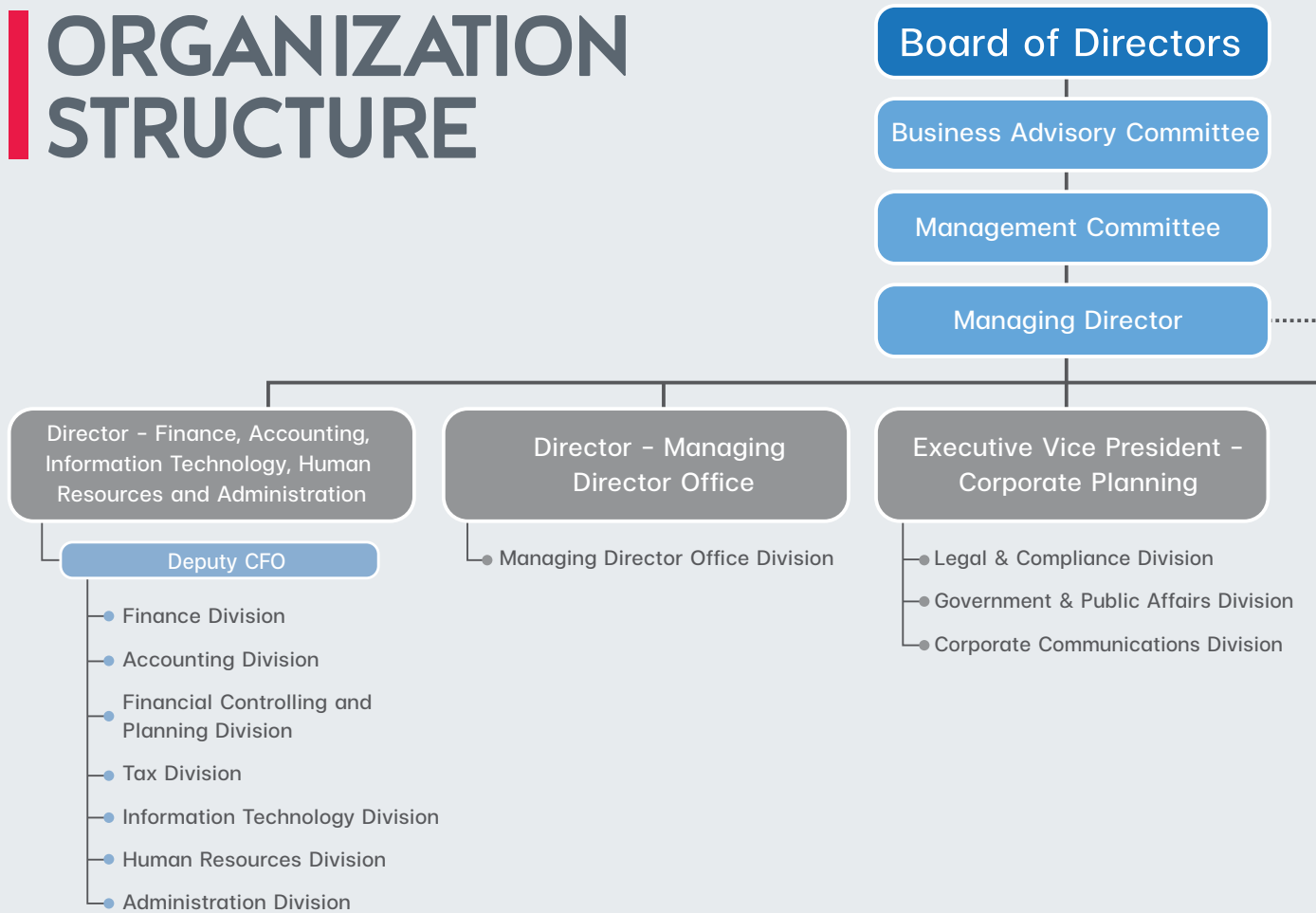
The Company supports and facilitates trainings for members of the Board of Directors, the Management and employees so as to continuously improve their skills, knowledge and working performance.

The Company 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.



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

ORGANIZATION STRUCTURE



Internal Audit Division

Director - Business

Executive Vice President - Supply Chain and Procurement

- Logistics Division
- Procurement Division
- Sales and Operation Planning Division
- Strategic Raw Material and Utility Supply Division

Sales and Marketing - CA Business

- Sales and Marketing CA1 Division
- Sales and Marketing CA2 Division

Sales and Marketing - PVC Business

- Sales and Marketing Domestic Division
- Sales and Marketing PVC Export Division

Sales and Marketing - ECH Business

- Sales and Marketing ECH Division

Sales and Marketing - Business Strategic Office

- Business Intelligence Division
- Sales Coordination Division

Director - Plant and Technical

Executive Vice President - Plant MTP 1

- Plant Manager Office - MTP1
- CA Production Division
- ECH Production Division
- PVC Production Division
- VC Production Division
- Frontline Maintenance MTP1 Division

Senior Vice President - Plant MTP 2

- Plant Manager Office - MTP2
- MTP2 Production 1 Division
- MTP2 Production 2 Division
- Frontline Maintenance MTP2 Division

Senior Vice President - Plant PPD1 and PPD2

- Plant Manager Office - PPD
- PPD Production Division
- Frontline Maintenance PPD Division

Senior Vice President - Central Maintenance and Engineering

- Engineering Division
- Reliability Division
- Static Equipment Reliability & Material Corrosion Division
- Warehouse Division

Senior Vice President - Technical and Manufacturing Excellence

- Customer Technical Service Division
- Research, Development and Technology (CA) Division
- Research, Development and Technology (PVC) Division
- Total Productive Maintenance Division
- Continuous Improvement Division
- Industrial Training Division

Quality Control and Health, Safety and Environment

- Health, Safety and Environment Division
- Quality Control Division

Deputy Director - Expansion MTP1 and MTP2

- Expansion MTP1 Division
- Expansion MTP2 Division



THE BOARD OF DIRECTORS

Mr. Yoshihisa Horibe (Age 58)

- Director
- Chairman of the Board of Director

Educational Qualification

- Bachelor of Economics, The University of Tokyo, Japan

Work Experience in the past 5 years

Period	Position	Company
Positions in Listed Company on SET		
• None		
Positions in Non-Listed Company on SET		
• 1 July 2022 – Present	• Director / Chairman of the Board of Directors	• AGC Vinythai Public Company Limited
• 1 Jan 2022 – 30 June 2022	• Director	• Vinythai Public Company Limited
• 1 Jan 2021 – Present	• Executive Officer, General Manager of Essential Chemicals General Div.,	• AGC Inc., Japan
• 27 Jan 2021 – Present	• Director	• AGC Chemicals Southeast Asia Co., Ltd.
• 21 Jan 2020 – 26 Jan 2021	• Senior Manager, Essential Chemicals General Division, Chemicals Company	• AGC Inc., Essential Chemicals, Southeast Asia Regional Office
• 26 Apr 2018 – 31 Dec 2021	• Director, and Member of Business Advisory Committee	• Vinythai Public Company Limited
• 3 Apr 2018 – Present	• Director	• Thai Refined Salt Co., Ltd.
• 4 Apr 2017 – Present	• Director	• Pimai Salt Company Limited
• 22 Feb 2017 – 25 Apr 2018	• Director, and Business Director	• Vinythai Public Company Limited

Mr. Toasaporn Boonyapipat (Age 58)

- Director
- Vice Chairman of the Board of Directors

Educational Qualification

- Master of Business Administration, Burapha University
- Bachelor of Engineering, Mechanical Engineering (Second class honors), Chiangmai University
- The Executive Program in Energy Literacy for a Sustainable Future, Class 19 Thailand Energy Academy (TEA)
- Certificate of ASEAN Executive Program (AEP), GE Crotonville, USA
- PTTCHEM Leadership Development Program, TBS/IMBA Thammasat University 2010
- Subsidiary Governance, Business and Legal Issues for Directors and Executives and Transformative Leadership for Global Enterprise 2022, Director's Legal Liabilities, Ethical Leadership for new Era and High Performing Board & Board Effectiveness 2021 (In-house Programs by GC), Role of the Chairman Program (RCP) Class 47/2021 and Director Certification Program (DCP) Class 197/2014, Thai Institute of Directors (IOD)



Work Experience in the past 5 years

Period	Position	Company
Positions in Listed Company on SET		
1 Feb 2022 - Present	• Chief Operating Officer - Base and Intermediate Chemicals	• PTT Global Chemical Public Company Limited
• 1 Jan 2021 - 31 Jan 2022	• Senior Executive Vice President - Upstream Petrochemical Business	• PTT Global Chemical Public Company Limited
• 1 Jan 2021 - 1 Aug 2021	• Director	• Global Power Synergy Public Company Limited
• 2019 - 2020	• Executive Vice President reporting to Chief Executive Officer appointed as Secondment to PTTGC America LLC	• PTT Global Chemical Public Company Limited
• 2017 - 2019	• Executive Vice President - International Business Operations appointed as Secondment to PTTGC America LLC	• PTT Global Chemical Public Company Limited
Positions in Non-Listed Company on SET		
• 1 Mar 2022 - Present	• Director and Vice Chairman of the Board of Directors	• AGC Vinythai Public Company Limited
• 21 Feb 2022 - 31 Mar 2023	• Chairman	• PTT Phenol Company Limited
• 28 Feb 2022 - 31 Mar 2023	• Chairman	• GC Oxirane Company Limited
• 23 Feb 2022 - 25 Aug 2022	• Chairman	• GC Glycol Company Limited
• 7 Dec 2022 - Present	• Chairman	• Thai Tank Terminal Limited
• 5 Jan 2021 - Present	• Director	• GC Maintenance and Engineering Company Limited
• 5 Jan 2021 - 16 Feb 2022	• Chairman	• GC Estate Company Limited
• 2016 - 2020	• Director	• PTTGC America LLC
• 2017 - 2020	• Director	• PTTGC International (Netherlands) B.V.
• 2016 - 2020	• Director	• Emery Specialty Chemicals Sdn. Bhd.
• 2016 - 2020	• Director	• Emery Oleochemicals (M) Sdn. Bhd.
• 2016 - 2020	• President and CEO	• PTTGC America LLC
• 2014 - 2020	• Director	• Vencorex Holding
• 2018 - 2019	• Director	• GC Ventures Company Limited
• 2017 - 2019	• Director, Chief Executive Officer	• PTTGC International Private Limited



Mr. Kazuaki Koga (Age 64)

- Director
- Managing Director
- Member of Business Advisory Committee

Educational Qualification

- Bachelor of Laws, The University of Tokyo, Japan

Work Experience in the past 5 years

Period	Position	Company
Positions in Listed Company on SET		
	• None	
Positions in Non-Listed Company on SET		
• 1 Jul 2022 - Present	• Director, Managing Director, and Member of Business Advisory Committee	• AGC Vinythai Public Company Limited
• 1 Jan 2022 - 31 June 2022	• Director, Managing Director, and Member of Business Advisory Committee	• Vinythai Public Company Limited
• 27 Apr 2017 - 31 Dec 2021	• Chairman of the Board of Directors, and Chairman of Nomination & Remuneration Committee	• Vinythai Public Company Limited
• 17 Mar 2015 - 31 Dec 2021	• Commissioner	• Pt Asahimas Chemical, Indonesia
• 1 Jan 2015 - 31 Mar 2022	• Executive Officer	• AGC Inc., Japan
• 1 Jan 2015 - 31 Dec 2021	• GM of Essential Chemicals General DIV. Chemical Company	• AGC Inc., Japan
• 1 Apr 2022 - Present	• Executive Fellow	• AGC Inc., Japan
• 8 Apr 2022 - Present	• Director	• Pimai Salt Company Limited
• 4 Feb 2022 - Present	• Director	• Thai Refined Salt Co., Ltd

Mrs. Warawan Tippawanich (Age 60)

- Director
- Chairperson of the Business Advisory Committee

Educational Qualification

- Master of Business Administration, Chulalongkorn University
- Bachelor of Science (Chemical Engineering), Chulalongkorn University
- Certificate of Subsidiary Governance, Business and Legal Issues for Directors and Executives and Transformative Leadership for Global Enterprise 2022 Director's Legal Liabilities, Ethical Leadership for new Era and High Performing Board & Board Effectiveness (In-house Programs by GC), Thai Institute of Directors Association (IOD), Class 2021
- Certificate of Board Matters and Trends (BMT), Class 2/2017
- Certificate of Company Secretary Program (CSP), Class 57/2014
- Certificate of Board Reporting Program (BRP), Class 15/2014
- Certificate of Company Reporting Program (CRP), Class 10/2014
- Director Certification Program (DCP) Class 190/2014
- Certificate of Leadership Development Program (LDP 2) and (LDP 3), PTT Leadership and Learning Institute (PLLI), PTT Public Company Limited



Work Experience in the past 5 years

Period	Position	Company
Positions in Listed Company on SET		
• 1 Oct 2019 - 31 Dec 2023	• 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		
• 1 July 2022 - Present	• Director and Chairperson of the Business Advisory Committee	• AGC Vinythai Public Company Limited
• 23 Nov 2020 - 30 June 2022	• Director and Chairperson of the Business Advisory Committee	• Vinythai Public Company Limited
• 22 Sep 2023 - 1 Jan 2024	• Director	• GC America Sustainability Corporation
• 15 Sep 2020 - 1 Jan 2024	• Director	• PTTGC International Private Limited, Singapore
• 16 Nov 2019 - 1 Jan 2024	• Director	• PTTGC America Corporation
• 16 Nov 2019 - Present	• Director	• PTTGC America LLC
• 11 Nov 2019 - 1 Jan 2024	• Director	• GC Polyols Company Limited
• 30 Mar 2021 - 1 Jan 2024	• Director	• GC Ventures Company Limited
• 16 Mar 2022 - 1 Jan 2024	• Director	• GC Ventures America Corporation
• 9 April 2018 - 8 May 2023	• Director	• Solution Creation Company Limited
• 1 Sep 2020 - 31 Jan 2022	• Director	• GC International Corporation
• 24 Dec 2019 - 30 Nov 2020	• Director	• GC-M PTA Company Limited
• 24 Dec 2019 - 30 Nov 2020	• Director	• Thai PET Resin Company Limited
• 29 Jan 2015 - 11 Nov 2019	• Director	• GC Glycol Company Limited
• Sep 2017 - 14 Sep 2019	• Director	• Sarn Palung Social Enterprise Company Limited



Mr. Satoru Miyatake (Age 62)

- Director
- Director - Plant and Technical

Educational Qualification

- Master of Engineering, Graduated School of Engineering, Tokyo University of Agriculture and Technology, Tokyo, Japan

Work Experience in the past 5 years

Period	Position	Company
Positions in Listed Company on SET		
• None		
Positions in Non-Listed Company on SET		
• 1 July 2022 - Present	• Director / Plant and Technical Director	• AGC Vinythai Public Company Limited
• 21 Mar 2021 - 30 June 2022	• Operation Director	• Vinythai Public Company Limited
• 1 Mar 2019 - 31 Mar 2021	• Director	• AGC Pharma Chemicals Europe, S.L.U., Spain
• 21 Mar 2013 - 20 Mar 2021	• General Manager, Production Technology Management Div. AGC Chemical	• AGC Inc., Japan
• Mar 2014 - Mar 2021	• Director	• Hokkaido Soda., Ltd, Japan
• Mar 2014 - Mar 2021	• Director	• AGC Wakasa Chemicals Co., Ltd, Japan
• 6 Jun 2013 - Mar 2021	• Director	• Keiyo Monomer Co., Ltd, Japan
• Mar 2017 - 1 Apr 2020	• Director	• AGC Chemicals (Thailand) Co., Ltd.

Mrs. Jamjuree Sirovetnukul (Age 59)

- **Director /**
- **Director - Finance, Accounting and Information Technology, Human Resources and Administration**

Educational Qualification

- Master of Finance, East Texas State University, Texas, USA
- Bachelor of Finance, Thammasat University
- Bachelor of Accounting, Sukhothai Thammathirat University



Work Experience in the past 5 years

Period	Position	Company
Positions in Listed Company on SET		
• None		
Positions in Non-Listed Company on SET		
• 1 Jan 2023 - Present	• Director / Director - Finance, Accounting and Information Technology, Human Resources and Administration	• AGC Vinythai Public Company Limited
• 1 July 2022 - 30 Dec 2022	• Director / Director - Finance, Accounting and Information Technology	• AGC Vinythai Public Company Limited
• 1 May 2021 - 30 June 2022	• Senior Vice President- Finance, Accounting and Information Technology	• Vinythai Public Company Limited
• 1 Nov 2011 - 30 Apr 2021	• Vice President- Finance, Accounting and Information Technology	• Vinythai Public Company Limited
• 8 Dec 2011 - Present	• Director	• Pimai Salt Co., Ltd.
• 20 Jun 2013 - Present	• Director	• Advanced Biochemical (Thailand) Co.,Ltd.
• 1 July 2021 - Present	• Director and Chairman of the Audit Committee	• PMC Label Materials Company Limited



Mr. Masayoshi Namba (Age 60)

- Director
- Business Director

Educational Qualification

- Bachelor of Economics,
Hitotsubashi University, Tokyo, Japan, Japan

Work Experience in the past 5 years

Period	Position	Company
Positions in Listed Company on SET		
• None		
Positions in Non-Listed Company on SET		
• April 2023 - Present	• Director / Business Director	• AGC Vinythai Public Company Limited
• March 2022 - Present	• President & CEO	• Hokkaido Soda Co.,Ltd.
• Jan 2021 - Feb 2022	• Senior Vice President	• AGC Chemicals Southeast Asia Co.,Ltd.
• Jan 2020 - Dec 2020	• General Manager Chlorine & Alkali Southeast Div. Essential Chemicals Generals Div.,	• AGC Chemicals, Japan
• Apr 2018 - Dec 2019	• General Manager Chlorine & Alkali Japan Div., Essential Chemicals Generals Div.,	• AGC Chemicals, Japan
• Oct 2014 - Mar 2018	• General Manager Chlorine & Alkali Div., Essential Chemicals Generals Div.,	• AGC Chemicals, Japan

Mrs. Chananchida Wiboonkanarak (Age 49)

- **Director**
- **Member of Business Advisory Committee**

Educational Qualification

- Master of Engineering (Chemical Engineering), Chulalongkorn University
- Bachelor of Science (Chemical Engineering), Chulalongkorn University
- Leadership Development Program (LDP2), 2015, Sasin Graduate, Institute of Business Administration of Chulalongkorn University
- Leadership Development Program (LDP 2), General Electric, GE, U.S.A.
- PTT-HBS Leadership Development Program (LDP 1) , Harvard Business School Campus Shanghai, China
- Subsidiary Governance, Business and Legal Issues for Directors and Executives and Transformative Leadership for Global Enterprise 2022, Director's Legal Liabilities, Ethical Leadership for new Era and High Performing Board & Board Effectiveness 2021 (In-house Programs by GC)
- Director Certification Program (DCP) Class 267/2018, Thai Institute of Directors Association (IOD)



Work Experience in the past 5 years

Period	Position	Company
• 1 Oct 2017 - Present	Positions in Listed Company on SET • Senior Vice President - Strategy, Business Development and Commercial Excellence	• PTT Global Chemical Public Company Limited
• 1 July 2022 - Present	Positions in Non-Listed Company on SET • Director and Member of Business Advisory Committee	• AGC Vinythai Public Company Limited
• 17 Mar 2022 - 30 June 2022	• Director	• Vinythai Public Company Limited
• 1 Apr 2022 - 1 Jan 2024	• Chairperson	• PTT MCC Biochem Company Limited
• 8 Feb 2018 - 31 Mar 2022	• Director and Chairperson of the Executive Committee	• PTT MCC Biochem Company Limited
• 12 Oct 2021 - Present	• Director	• EMERY Oleochemicals UK Limited
• 9 Dec 2020 - 1 Jan 2024	• Director	• PTT Asahi Chemical Company Limited
• 13 Nov 2019 - 25 Aug 2022	• Director	• GC Glycol Company Limited
• 9 Oct 2019 - 1 Jan 2024	• Director	• Solution Creation Company Limited
• 1 Oct 2019 - 31 Mar 2023	• Director	• PTT Phenol Company Limited
• 11 Oct 2018 - 1 Jan 2024	• Executive Committee Member	• HMC Polymers Company Limited
• 19 June 2018 - Present	• Director	• Kuraray GC Advanced Materials Company Limited
• 15 Oct 2020 - 16 Feb 2022	• Director	• PTTGC International (Netherlands) B.V.
• 15 Oct 2020 - 1 Mar 2022	• Director	• Vencorex Holding
• 2 Sep 2020 - 16 Feb 2022	• Director	• Nature Works LLC



Mr. Hiroyuki Kaneko (Age 50)

- **Director**
- **Member of Business Advisory Committee**

Educational Qualification

Master of Business Administration,

- Katz Graduate School of Business, University of Pittsburgh, USA,
- Keio University, Tokyo, Japan

Work Experience in the past 5 years

Period	Position	Company
Positions in Listed Company on SET		
• None		
Positions in Non-Listed Company on SET		
• Present	• Director / Member of Business Advisory Committee	• AGC Vinythai Public Company Limited
• Apr 2023	• General Manager, Chlorine & Alkali Southeast Asia Division, Essential Chemicals General Division,	• AGC Chemicals Company, Japan
• Jun 2022	• Director, Business Coordination Group, Chlorine & Alkali Division, Essential Chemicals General Division	• AGC Chemicals Company, Japan
• Sep 2019	• Deputy Director, Sales & Marketing and Corporate Office	• PT. Asahimas Chemical (Indonesia)
• Apr 2019	• Senior Manager, Essential Chemicals General Division	• AGC Chemicals Company, Japan
• Apr 2017	• Risk Management Manager, Corporate Planning	• JXTG Holdings Inc. (Current ENEOS Holdings, Inc.)

MANAGEMENT COMMITTEE



Mr. Kazuaki Koga
Managing Director



Mr. Satoru Miyatake
Director - Plant and
Technical



Mr. Masayoshi Namba
Director - Business



**Mrs. Jamjuree
Sirovetnukul**
Director - Finance,
Accounting, Information
Technology, Human
Resources and
Administration



Mr. Nobuo Nakao
Director - Managing
Director Office



Mr. Tomoyuki Kaneko
Deputy Director -
Expansion MTP 1 and MTP 2



**Mr. Apichart
Kijjaroenvisal**
Executive Vice
President - Plant MTP 1



**Mr. Boonchana
Mangkonkarn**
Executive Vice President -
Procurement and Supply
Chain



Mr. Worathep Lertwinyu
Executive Vice President -
Corporate Planning



Mr. Arthit Vongsang
Senior Vice President -
Plant MTP 2



**Mr. Simachai
Puangpetch**
Senior Vice President -
Plant PPD1 and PPD2

STRUCTURE OF THE BOARD OF DIRECTORS

- The Board of Directors comprises 9 directors, not less than half of whom must have residence in Thailand.
- The Chairman and Managing Director are not 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.

Characteristics and Qualifications of Directors

- o 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.
- o Directors must be qualified in accordance with Section 68 of the Public Company Limited Act, B.E. 2535.
- o Directors must be recruited and approved by the Board of Directors/Shareholders Meeting.
- o 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.
- o Directors shall act in good faith, ethically and honestly.
- o Directors shall be responsible and accept the obligation to fully perform their duties for the Company and interested parties, ethically and legally.
- o Directors must use independent discretion that shareholders can trust.
- o Directors must devote time and pay attention to the Company's affairs and regularly participate in the Company's meetings.

As of 31 December 2023, the Board of Directors comprises 9 directors as follows:

1. Mr. Yoshihisa Horibe	Director / Chairman of the Board of Directors
2. Mr. Toasaporn Boonyapipat	Director / Vice Chairman of the Board of Directors
3. Mrs. Warawan Tippawanich	Director / Chairperson of the Business Advisory Committee
4. Mrs. Chananchida Wiboonkanarak	Director / Member of the Business Advisory Committee
5. Mr. Kazuaki Koga	Director / Managing Director / Member of the Business Advisory Committee
6. Mr. Hiroyuki Kaneko	Director / Member of the Business Advisory Committee
7. Mr. Satoru Miyatake	Director
8. Mr. Masayoshi Namba	Director
9. Mrs. Jamjuree Sirovetnukul	Director

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 14 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 7 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) If necessary, the Board of Directors shall enlist the services of external professional advisors at the Company's expense.
- 10) 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.
- 11) Provide provisions pertaining to business conduct, director conduct, executive conduct, and employee conduct to be implemented in-house.
- 12) Report the securities holdings of their spouses and minors to 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 entering into the major contracts of the Company

Committee

The Board of Directors has set up one committee to support its administration as follows:

- **The Business Advisory Committee**

As of 31 December 2023, the Business Advisory Committee comprises the following members:

- | | |
|-----------------------------------|-------------|
| 1. Mrs. Warawan Tippawanich | Chairperson |
| 2. Mrs. Chananchida Wiboonkanarak | Member |
| 3. Mr. Kazuaki Koga | Member |
| 4. Mr. Hiroyuki Kaneko | Member |

Mrs. Jamjuree Sirovetnukul, Director / Director -Finance, Accounting, Information Technology, Human Resources and Administration, served as Secretary to the Business Advisory Committee.

Management

As of 31 December 2023, the list of Management according to the definition of the SEC are as follow:

- | | |
|-------------------------------|--|
| 1. Mr. Kazuaki Koga | Managing Director |
| 2. Mrs. Jamjuree Sirovetnukul | Director - Finance, Accounting,
Information Technology, Human
Resources and Administration |
| 3. Mr. Satoru Miyatake | Director - Plant and Technical |
| 4. Mr. Masayoshi Namba | Director - Business |
| 5. Mr. Nobuo Nakao | Director - Managing Director Office |

The persons supervising finance and accounting

- | | |
|-------------------------------|-----------------------------|
| 6. Ms. Thippawan Thammakesorn | Accounting Division Manager |
| 7. Ms. Ratchada Srithongpoeng | Finance Division Manager |

Employees

As at 31 December 2023, total headcount is as follows;

Operational Location	Headcount (person)
Map Ta Phut 1	592
Map Ta Phut 2	291
Prapradaeng 1	197
Prapradaeng 2	5
Bangkok	110

Employees in each main working unit consist of

Function	Headcount (Person)
Managing Director Unit	14
Business and Administration Unit	126
Production Unit	538
Production and Business Support Unit	435
Project and Construction Unit	52

Remuneration to Staff

In 2023, the total remuneration consisting of salary, bonus and other benefits, including provident fund scheme paid to employees is 1,632 MTHB

OTHER IMPORTANT INFORMATION

- **The person taking the highest responsibility in finance and accounting**

Mrs. Jamjuree Sirvetnukul, Director - Finance, Accounting, Information Technology, Human Resources and Administration, has been appointed as the person taking the highest responsibility in finance and accounting effective from 1 July 2022

- **Company Secretary**

Mr. Pannawat Lertkamolmart, Deputy Division Manager - Legal and Compliance, has been appointed as the Company Secretary effective from 1 March 2023

- **Internal Audit**

Mr. Kittipong Jamsak has been appointed as the Internal Audit Division Manager effective from 1 July 2022

- **Corporate Governance Officer**

Mr. Pannawat Lertkamolmart, Deputy Division Manager - Legal and Compliance, has been appointed as the Corporate Governance Officer effective from 1 March 2023

Audit Fee

The audit fee of the auditor in 2023 is THB 2,830,000

CORPORATE GOVERNANCE REPORT



■ NOMINATION AND APPOINTMENT OF DIRECTOR

The Board of Directors shall assume the following roles:

- To approve management policies of the Company
- To oversee management execution of the Company
- To approve important matters of the Company

The Board of Directors shall delegate decision making for business execution of matters other than those mentioned in the preceding paragraph to the Managing Director and other Management to increase the mobility of management execution.

Appointment of Director

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 2023 is as follows:

Meeting attendance / Total no. of meeting

Name	Position	Board of Directors Meeting Total 5 times / year
1. Mr. Yoshihisa Horibe ⁽¹⁾	Chairman	4/5
2. Mr. Toasaporn Boonyapipat	Vice Chairman	5/5
3. Mrs. Warawan Tippawanich	Director	5/5
4. Mrs. Chananchida Wiboonkanarak	Director	5/5
5. Mr. Kazuaki Koga	Director	5/5
6. Mr. Yoichi Noda ^{(1), (2)}	Director	2/2
7. Mr. Satoru Miyatake	Director	5/5
8. Mr. Masaki Takahashi ⁽³⁾	Director	1/1
9. Mrs. Jamjuree Sirovetnukul	Director	5/5
10. Mr. Masayoshi Namba ⁽⁴⁾	Director	4/4
11. Mr. Hiroyuki Kaneko ^{(1), (5)}	Director	3/3

⁽¹⁾ Directors whose residence are outside the Kingdom.

⁽²⁾ Resigned from the member of Board of Directors effective from 26 April 2023; therefore the number of Board of Directors meeting is 2 times/year.

⁽³⁾ Resigned from the member of Board of Directors effective from 21 April 2023; therefore the number of Board of Directors meeting is 1 times/year.

⁽⁴⁾ Appointed as the member of Board of Directors effective from 21 April 2023; therefore the number of Board of Directors meeting is 4 times/year.

⁽⁵⁾ Appointed as the member of Board of Directors effective from 1 May 2023; therefore the number of Board of Directors meeting is 3 times/year.

Remuneration of Directors and Management

• Monetary Remuneration

The Board of Directors receives remuneration in accordance with the rate as approved by the shareholders meeting. Board members who serve in more than one position on the Board of Directors shall receive payment only from the position with the highest remuneration

In 2023, the shareholders' meeting considered and approved monthly remuneration of the directors as follows:

- Chairman of the Board of Directors	30,000 Baht/month
- Vice Chairman	30,000 Baht/month
- Chairperson of the Business Advisory Committee	30,000 Baht/month
- Business Advisory Committee	30,000 Baht/month
- Other Directors	30,000 Baht/month

In 2023, the total monetary remuneration for the Board of Directors amounted to 3,235,000.- Baht. Details are as follows:

Unit: Baht/year

Name	Position	Total Remuneration
1. Mr. Yoshihisa Horibe	Director/ Chairman of the Board of Directors	360,000
2. Mr. Toasaporn Boonyapipat	Director/ Vice Chairman of the Board of Directors	360,000
3. Mrs. Warawan Tippawanich	Director / Chairperson of the Business Advisory Committee	360,000
4. Mrs. Chananchida Wiboonkanarak	Director / Member of the Business Advisory Committee	360,000
5. Mr. Kazuaki Koga	Director / Managing Director / Member of the Business Advisory Committee	360,000
6. Mr. Yoichi Noda	Director / Member of the Business Advisory Committee	115,000
7. Mr. Hiroyuki Kaneko	Director / Member of the Business Advisory Committee	240,000
8. Mr. Satoru Miyatake	Director	360,000
9. Mr. Masaki Takahashi	Director	110,000
10. Mr. Masayoshi Namba	Director	250,000
11. Mrs. Jamjuree Sirovetnukul	Director	360,000
Grand Total		3,235,000

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 2023 remuneration for the 7 executives (as the definition of the SEC) was 51,076,383 Baht, such remuneration comprised salary and bonus.

- **Other Remunerations**

- 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.

In addition, the AGC 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 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. The Board of Directors monitors compliance with the regulations. 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 Policy 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:

<https://agcvinythai.com/wp-content/uploads/2022/10/Anti-Corruption-Policay-AVT-English-version-final.pdf>)

- **Whistleblowing and Whistleblower Protection Measures**

Channel for reporting complaints or whistleblowing, fraud, violations of non-compliance with the company's policies and rules & regulations. This will help the company achieve its business goals with efficiency, effectiveness, and cost savings which will be good for everyone. Matters within the scope of the whistleblower policy or clear evidence will be acted on by the company. The information of the complainant that will be able to identify the complainant will be protected and kept confidential.

- **Complaints and whistleblowing through Deloitte**

Channels for reporting complaints or whistleblowing, fraud, violations of non-compliance with the company's policies and rules & regulations which is operated by an independent agency, Deloitte. The complainant can elect to report based on anonymous basis, through the following channels:

1. Website : <https://avtspeakup.com>
2. E-mail : speakup@AVTspeakup.com
3. Hotline : 02-034-0288

- **Complaints and whistleblowing through the Company**

For providing recommendations, suggestions or making enquiries about the Company, please contact through the following channels:

1. E-mail : avt.helpline@agc.com
2. Website : <https://agcvinythai.com/contact-us/>
3. Legal and Compliance hotline: 02-092-6474

The performance of the Business Advisory Committee

The record of Business Advisory Committee meeting attendance for 2023 is as follows:

Meeting attendance / Total no. of meeting

Name	Position	Business Advisory Committee Meeting Total 5 times/year
1. Mrs. Warawan Tippawanich	Chairperson	5/5
2. Mrs. Chananchida Wiboonkanarak	Member	5/5
3. Mr. Kazuaki Koga	Member	5/5
4. Mr. Yoichi Noda ⁽¹⁾	Member	2/2
5. Mr. Hiroyuki Kaneko ⁽²⁾	Member	3/3

⁽¹⁾ Resigned from the member of Business Advisory Committee effective from 26 April 2023; therefore the number of Business Advisory Committee meeting is 2 times/year.

⁽²⁾ Appointed as the member of Business Advisory Committee effective from 1 May 2023; therefore the number of Business Advisory Committee meeting is 3 times/year.

INTERNAL CONTROL



The Company's Board of Directors, the Management Committee and the Management place an importance on the efficiency and effectiveness of corporate governance, internal control system, and 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 are identified and assessed to mitigate the Company's risk exposure in an effort to achieve the Company's objectives. Internal Audit Division reviews and evaluates the implementation of the internal control system.

In the Board of Directors Meeting No.1/2024 held on 14 February 2024, the Board of Directors evaluated the internal control of the Company in compliance with the internal control evaluation form established based on COSO Framework. After consideration, the Board of Directors viewed that 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, 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.

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 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 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.

In 2023, the Company organized corporate training courses relating to risks and internal controls to management and employee with the aim to promote adequate internal controls and risk awareness.

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.

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 2023, by taking step to revisit the risk management, the Management Committee has released mitigation measures with an aim to ensure on-going business operation and protect all group of stakeholders' interest which include employees, customers, and business partners. (Please study more information at 2. Risk Management and Mitigation)

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, the Company emphasizes the anti-corruption program in order to ensure that measurement to prevent potential fraud to the Company's business operations are adequate.

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. 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. 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 considered 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 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 (Japan), 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 2023 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 intranet, etc. 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 Company's website and/or a website operated by independent agency. Details of personnel responsible for each area are designated in the Company's website so that investors, customers, local communities, and other stakeholders can communicate recommendations and make enquiries from the Company. Furthermore, Alternative channels of communication are provided for employees when suspected violation of laws, policies and internal controls are found. 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. 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 Managing Director and monitor plans to ensure an effectiveness and adequacy of the internal control. Audit findings have been reported to the Managing Director and the Management Team meetings. In 2023, the audit reports did not find significant deficiency in the internal control system. No violations of related laws were found.

SIGNIFICANT RELATED TRANSACTIONS

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

					Thousand THB	Thousand THB
No.	Company	Product or nature of business	Nature of relationship and connected transactions	Transaction between companies	2022	2023
Transaction with parent company:						
1	AGC Inc. (Formerly Asahi Glass Co., Ltd.)	Production and distribution of glass	Parent, 65% shareholding	Revenue from sale of goods	81,804	217,565
				Service income, net	1,120	-
				Purchase of goods	22,381	58,014
				Purchase of spare parts and other service expenses	-	-
				Purchase of fixed asset	49,105	27,858
				License and technical assistance service expenses	37,016	43,739
				Insurance premium and other operating expenses	45,860	-
Transaction with subsidiaries:						
1	Advanced Biochemical (Thailand) Co., Ltd.	Production of Epichlorohydrin (ECH)	Subsidiary, 100% shareholding	Revenue from sale of goods	645,237	690,321
				Interest income	-	250
				Service income, net	102,454	80,334
				Revenue from sale of spare parts	7,551	8,536
				Purchase of raw materials	110,103	135,180
				Purchase of spare parts, services expenses and other manufacturing expenses	1,656,335	1,226
				Dividend income		2,972,700
2	AGC Chemicals Vietnam Co., Ltd.	Manufacturing and trading of chemical products	Subsidiary, 78.11% shareholding	Revenue from sale of goods	36,093	48,756
				Commission expenses	5,045	8,429
3	SURISA LIMITED	trading of salt	Subsidiary, 100% shareholding	Dividend income		5,980

Thousand THB Thousand THB

No.	Company	Product or nature of business	Nature of relationship and connected transactions	Transaction between companies	2022	2023
Transaction with associate company:						
1	Pimai Salt Co., Ltd.	Manufactured and trading of industrial salt	AVT holds 49%	Revenue from sale of goods	10,609	17,116
				Purchase of raw materials	561,933	1,225,709
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	Major shareholder, 32.72% shareholding	Revenue from sale of goods	323,394	418,839
				Service income	-	-
				Purchase of raw materials	3,294,034	6,498,748
				Purchase of spare parts, services expenses and other manufacturing expenses	17,283	178,264
				Purchase of fixed asset	299,184	1,036,152
				Interest on lease liabilities	3,248	-
2	AGC Inc.'s subsidiaries			Revenue from sale of goods	60,722	168,855
				Service income	8,032	12,493
				Purchase of raw materials	16,853	133,527
				Purchase of spare parts, services expenses and other manufacturing expenses	14,384	-
				Insurance premium, commission expenses and other operating expenses	20,077	47,871
				Purchase of good	43,247	58,758
				Interest on lease liabilities	-	7,916
				License and technical services expense	5,890	18,157



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 AGC Vinythai Public Company Limited and its subsidiary 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 disclosed all important information in the Notes under the Financial Statements, in a proper and fully transparent manner.

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

In this regard, the Board of Directors has reviewed the financial reporting and internal control. The Internal Audit Division has monitored, evaluated and reported to the Board of Directors the findings of the audits including the relevant audit matters so as to ensure the development of a thorough risk management program as well as comply with major shareholders policy. The Board of Directors ensures that internal control systems are adequate, appropriate and in compliance with all relevant laws and regulations. The External Auditor'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 AGC Vinythai Public Company Limited and its subsidiaries for the year ending 31 December 2023 has been prepared in accordance with the generally accepted accounting principles in Thailand and that it complies with all relevant rules and regulations.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Financial statements for the year ended 31 December 2023 and Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of AGC Vinythai Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of AGC Vinythai Public Company Limited and its subsidiaries (the "Group") and of AGC Vinythai Public Company Limited (the "Company") respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, 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 2023 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw attention to Note 3, which describes that at the Board of Director's Meeting of the Company held on 22 February 2023 the directors approved a resolutions to transfer the entire business to Advanced Biochemical (Thailand) Company Limited, effective 3 July 2023. The Company paid a consideration in cash of Baht 1,657.08 million. My opinion is not modified in respect of this matter.

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 management and request that the correction be made.

Responsibilities of Management 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.

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.
- 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 management, 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.

(Sirinuch Surapaitoonkorn)
Certified Public Accountant
Registration No. 8413

KPMG Phoomchai Audit Ltd.
Bangkok
14 February 2024

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statement of financial position

		Consolidated financial statements 31 December		Separate financial statements 31 December	
Assets	Note	2023	2022	2023	2022
(in Baht)					
Current assets					
Cash and cash equivalents	6	14,054,973,925	23,111,199,393	12,646,489,499	19,495,885,849
Trade and other current receivables	5, 7, 11	5,262,008,184	5,299,509,180	5,157,767,298	4,530,889,804
Inventories	8	2,604,032,588	2,656,213,671	2,349,847,965	2,058,729,348
Current tax assets		33,812,145	34,015,099	33,809,574	33,978,139
Other current financial assets		-	1,000,000,000	-	1,000,000,000
Other current assets		233,715,630	34,920,549	218,068,534	22,485,050
Total current assets		22,188,542,472	32,135,857,892	20,405,982,870	27,141,968,190
Non-current assets					
Investment in associate	9	951,194,491	877,649,166	921,860,250	848,360,250
Investments in subsidiaries	10	-	-	1,464,811,498	2,917,828,376
Other non-current receivables	11	2,334,792,395	2,420,727,488	2,334,792,395	2,420,727,488
Property, plant and equipment	12	22,858,516,067	14,113,091,481	22,460,936,289	12,210,811,264
Right-of-use assets	13	1,836,228,033	2,035,374,490	1,836,228,033	1,721,132,609
Intangible assets	14	665,111,454	679,655,177	634,882,445	574,408,603
Deferred tax assets	20	145,981,971	159,253,049	144,728,562	147,161,534
Other non-current assets		56,641,237	94,834,892	15,750,914	60,215,343
Total non-current assets		28,848,465,648	20,380,585,743	29,813,990,386	20,900,645,467
Total assets		51,037,008,120	52,516,443,635	50,219,973,256	48,042,613,657

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

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2023	2022	2023	2022
(in Baht)					
Current liabilities					
Trade and other current payables	5	3,777,850,125	4,433,791,346	3,072,841,144	3,453,964,633
Current portion of lease liabilities	5	172,328,949	192,419,810	172,328,949	119,988,642
Corporate income tax payable		307,257,386	491,176,979	303,976,865	505,572,375
Other current liabilities	5	64,634,030	230,718,332	64,634,030	224,889,935
Total current liabilities		4,322,070,490	5,348,106,467	3,613,780,988	4,304,415,585
Non-current liabilities					
Lease liabilities	5	1,749,175,453	1,871,954,127	1,749,175,453	1,622,928,566
Other non-current payables	5	45,450,305	73,644,134	45,309,805	73,644,134
Non-current provisions for employee benefits	15	722,929,171	635,623,102	711,790,998	624,611,621
Total non-current liabilities		2,517,554,929	2,581,221,363	2,506,276,256	2,321,184,321
Total liabilities		6,839,625,419	7,929,327,830	6,120,057,244	6,625,599,906
Equity					
Share capital:					
Authorised share capital					
(2,358,996,857 ordinary shares, par value					
at Baht 4 per share)					
		9,435,987,428	9,435,987,428	9,435,987,428	9,435,987,428
Issued and paid-up share capital					
(2,358,996,857 ordinary shares, par value					
at Baht 4 per share)					
		9,435,987,428	9,435,987,428	9,435,987,428	9,435,987,428
Share premium:					
Share premium on ordinary shares					
		6,535,754,196	6,535,754,196	6,535,754,196	6,535,754,196
Retained earnings:					
Appropriated					
Legal reserve					
16		979,344,066	979,344,066	979,244,066	979,244,066
Unappropriated					
		26,992,533,858	27,429,928,322	27,058,510,284	24,464,581,254
Other components of equity					
		(83,036,568)	(116,834,636)	90,420,038	1,446,807
Equity attributable to owners of the parent					
		43,860,582,980	44,264,179,376	44,099,916,012	41,417,013,751
Non-controlling interests					
		336,799,721	322,936,429	-	-
Total equity					
		44,197,382,701	44,587,115,805	44,099,916,012	41,417,013,751
Total liabilities and equity					
		51,037,008,120	52,516,443,635	50,219,973,256	48,042,613,657

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

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statement of comprehensive income

				Separate financial statements	
		Consolidated financial statements		Year ended 31 December 2023	For the period from 1 July 2022 (the date of amalgamation) to 31 December 2022
		Year ended 31 December			
Note		2023	2022		
(in Baht)					
Revenue	5				
Revenue from sale of goods	17	34,402,263,558	48,119,009,727	28,029,896,201	15,018,296,723
Dividend received	5	20,813	-	2,978,700,813	-
Interest income		379,983,751	176,126,827	306,397,370	63,477,899
Other income, net		86,163,989	135,861,882	338,391,087	142,637,568
Total revenues		34,868,432,111	48,430,998,436	31,653,385,471	15,224,412,190
Expenses	5				
Cost of sales of goods	8	28,287,346,187	35,895,640,254	22,484,935,452	11,287,317,740
Distribution cost		1,399,321,066	1,916,208,974	1,141,012,920	631,417,788
Administrative expenses		782,176,457	1,135,606,796	673,702,100	472,496,057
Total expenses	19	30,468,843,710	38,947,456,024	24,299,650,472	12,391,231,585
Profit from operating activities		4,399,588,401	9,483,542,412	7,353,734,999	2,833,180,605
Finance costs		(83,069,164)	(73,814,727)	(79,942,402)	(39,136,344)
Share of profit of associate accounted for using equity method	9	45,325	5,868	-	-
Profit before income tax expense		4,316,564,562	9,409,733,553	7,273,792,597	2,794,044,261
Tax expense	20	(820,200,667)	(1,708,368,422)	(774,282,270)	(532,953,711)
Profit for the year/period		3,496,363,895	7,701,365,131	6,499,510,327	2,261,090,550
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		(64,671,805)	11,225,652	-	-
Gains on cash flow hedges	20	84,156,103	14,194,708	88,973,231	51,260,808
Total items that will be reclassified subsequently to profit or loss		19,484,298	25,420,360	88,973,231	51,260,808
Items that will not be reclassified to profit or loss					
Gains (losses) on remeasurements of defined benefit plans	20	(36,886,452)	33,253,256	(36,886,452)	13,432,244
Gains on investment in equity instruments designated at FVOCI	20	60,000	704,000	60,000	704,000
Total items that will not be reclassified to profit or loss		(36,826,452)	33,957,256	(36,826,452)	14,136,244
Other comprehensive income (expense) for the year/period, net of tax		(17,342,154)	59,377,616	52,146,779	65,397,052
Total comprehensive income for the year/period		3,479,021,741	7,760,742,747	6,551,657,106	2,326,487,602

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

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statement of comprehensive income

Note	Consolidated financial statements		Separate financial statements	
			Year ended 31 December	For the period from 1 July 2022 (the date of amalgamation) to 31 December
	2023	2022	2023	2022
<i>(in Baht)</i>				
Profit attributable to:				
Owners of the parent	3,468,186,833	7,695,640,765	6,499,510,327	2,261,090,550
Non-controlling interests	28,177,062	5,724,366	-	-
Profit for the year/period	3,496,363,895	7,701,365,131	6,499,510,327	2,261,090,550
Total comprehensive income attributable to:				
Owners of the parent	3,465,158,449	7,752,561,344	6,551,657,106	2,326,487,602
Non-controlling interests	13,863,292	8,181,403	-	-
Total comprehensive income for the year/period	3,479,021,741	7,760,742,747	6,551,657,106	2,326,487,602
Basic earnings per share <i>(in Baht)</i>	1.47	3.52	2.76	1.03

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

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statement of changes in equity

	Consolidated financial statements											
	Retained earnings					Other components of equity						
	Issued and paid-up share capital	Share premium	Advance received from share subscription	Legal reserve	Unappropriated	Translation reserve	Cash flow hedges reserve	Differences on combination of business under common control	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Note												
	(in Baht)											
Year ended 31 December 2022	8,511,160,664	1,303,712,790	1,462,730,929	979,344,066	23,062,794,567	-	(7,930,772)	(131,867,187)	(139,797,959)	35,179,945,057	379,957,845	35,559,902,902
Balance at 1 January 2022												
Transactions with owners, recorded directly in equity												
Distributions to owners of the parent												
Issue of ordinary shares	924,826,764	5,232,041,406	(1,462,730,929)	-	-	-	-	-	-	4,694,137,241	-	4,694,137,241
Dividends	-	-	-	-	(3,362,464,266)	-	-	-	-	(3,362,464,266)	(65,202,819)	(3,427,667,085)
Total distributions to owners of the parent	924,826,764	5,232,041,406	(1,462,730,929)	-	(3,362,464,266)	-	-	-	-	1,331,672,975	(65,202,819)	1,266,470,156
Comprehensive income for the year												
Profit	-	-	-	-	7,695,640,765	-	-	-	-	7,695,640,765	5,724,366	7,701,365,131
Other comprehensive income	-	-	-	-	33,957,256	8,768,615	14,194,708	-	22,963,323	56,920,579	2,457,037	59,377,616
Total comprehensive income (loss) for the year	-	-	-	-	7,729,598,021	8,768,615	14,194,708	-	22,963,323	7,752,561,344	8,181,403	7,760,742,747
Balance at 31 December 2022	9,435,987,428	6,535,754,196	-	979,344,066	27,429,928,322	8,768,615	6,263,936	(131,867,187)	(116,834,636)	44,264,179,376	322,936,429	44,587,115,805

Statement of changes in equity

	Consolidated financial statements										
	Retained earnings				Other components of equity						
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translation reserve	Cash flow hedges reserve	Differences on combination of business under common control	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	<i>(in Baht)</i>										
Year ended 31 December 2023											
Balance at 1 January 2023	9,435,987,428	6,535,754,196	979,344,066	27,429,928,322	8,768,615	6,263,936	(131,867,187)	(116,834,836)	44,264,779,376	322,936,429	44,587,115,805
Transactions with owners, recorded directly in equity											
<i>Distributions to owners of the parent</i>											
Dividends	-	-	-	(3,868,754,845)	-	-	-	-	(3,868,754,845)	-	(3,868,754,845)
Total distributions to owners of the parent	-	-	-	(3,868,754,845)	-	-	-	-	(3,868,754,845)	-	(3,868,754,845)
Comprehensive income for the period											
Profit	-	-	-	3,468,186,833	-	-	-	-	3,468,186,833	28,177,062	3,496,363,895
Other comprehensive income (loss)	-	-	-	(36,826,452)	(50,358,035)	84,156,103	-	33,798,068	(3,028,384)	(14,313,770)	(17,342,154)
Total comprehensive income (loss) for the year	-	-	-	3,431,360,381	(50,358,035)	84,156,103	-	33,798,068	3,465,158,449	13,863,292	3,479,021,741
Balance at 31 December 2023	9,435,987,428	6,535,754,196	979,344,066	26,992,533,858	(41,589,420)	90,420,039	(131,867,187)	(83,036,566)	43,860,582,980	336,799,721	44,197,382,701

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statement of changes in equity

	Separate financial statements						
	Note	Retained earnings			Other component of equity	Total equity	
		Issued and paid-up share capital	Share premium	Legal reserve			Unappropriated
For the period from 1 July 2022 (the date of amalgamation) to 31 December 2022							
Balance at 1 July 2022 (the date of amalgamation)	1	8,734,060,364	2,543,544,019	979,244,066	22,189,354,460	(49,814,001)	34,396,388,908
Transactions with owners, recorded directly in equity							
Issue of ordinary shares		701,927,064	3,992,210,177	-	-	-	4,694,137,241
Total transactions with owners, recorded directly in equity		9,435,987,428	6,535,754,196	979,244,066	22,189,354,460	(49,814,001)	39,090,526,149
Comprehensive income for the period							
Profit		-	-	-	2,261,090,550	-	2,261,090,550
Other comprehensive income		-	-	-	14,136,244	51,260,808	65,397,052
Total comprehensive income (loss) for the period		-	-	-	2,275,226,794	51,260,808	2,326,487,602
Balance at 31 December 2022		9,435,987,428	6,535,754,196	979,244,066	24,464,581,254	1,446,807	41,417,013,751

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statement of changes in equity

	Separate financial statements					
	Retained earnings		Other component of equity	Total equity		
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Cash flow hedge reserve	
<i>(in Baht)</i>						
Year ended 31 December 2023						
Balance at 1 January 2023	9,435,987,428	6,535,754,196	979,244,066	24,464,581,254	1,446,807	41,417,013,751
Transactions with owners, recorded directly in equity						
Dividends	-	-	-	(3,868,754,845)	-	(3,868,754,845)
Total transactions with owners, recorded directly in equity	9,435,987,428	6,535,754,196	979,244,066	20,595,826,409	1,446,807	37,548,258,906
Comprehensive income for the period						
Profit	-	-	-	6,499,510,327	-	6,499,510,327
Other comprehensive income (loss)	-	-	-	(36,826,452)	88,973,231	52,146,779
Total comprehensive income (loss) for the period	-	-	-	6,462,683,875	88,973,231	6,551,657,106
Balance at 31 December 2023	9,435,987,428	6,535,754,196	979,244,066	27,058,510,284	90,420,038	44,099,916,012

AGC 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	For the period from 1 July 2022 (the date of amalgamation) to 31 December
Note	2023	2022	2023	2022
(in Baht)				
Cash flows from operating activities				
Profit for the year/period	3,496,363,895	7,701,365,131	6,499,510,327	2,261,090,550
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	820,200,667	1,708,368,422	774,282,270	532,953,711
Finance cost	83,069,164	73,814,727	79,942,402	39,136,344
Depreciation and amortisation	1,558,165,115	1,748,944,521	1,363,504,829	653,004,788
(Reversal of) impairment loss on plant and equipment	(5,446,317)	19,370,586	(11,542,502)	(6,361,879)
(Reversal of) provisions for employee benefits	58,755,102	(125,409,735)	57,996,381	(148,124,432)
Unrealised gain on foreign exchange	(180,137,841)	(25,444,384)	(184,822,361)	(14,705,082)
Amortisation of receivable from raw materials supply agreements	125,140,933	-	125,140,933	-
Unrealised (gain) loss on fair value adjustment on derivatives	11,283,063	6,529,014	(13,714,955)	12,604,331
Share of profit of associate accounted for using equity method	(45,325)	(5,868)	-	-
Reversal of allowance for expected credit loss	-	(2,641,699)	-	(4,104,624)
(Reversal of) losses on inventories devaluation	(74,304,434)	26,921,234	(19,079,422)	(156,846,817)
Loss on disposals of plant and equipment	43,227,678	172,770,704	33,613,853	67,813,240
Gain on return of investment in subsidiary	-	-	(201,902,333)	-
Dividend income	(20,813)	-	(2,978,700,813)	-
Interest income	(379,983,751)	(176,126,827)	(306,397,370)	(63,477,899)
	5,556,267,136	11,128,455,826	5,217,831,239	3,172,982,231
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	(41,312,149)	(112,588,490)	205,376,952	1,123,868,591
Inventories	126,485,517	602,535,938	91,925,354	275,753,112
Current tax assets	202,955	3,002,626	168,565	1,077,379
Other current assets	(198,795,081)	(53,195,040)	(191,893,192)	4,397,177
Other non-current assets	38,268,655	83,578,499	44,539,429	(35,837,182)
Trade and other current payables	(620,595,114)	(270,112,120)	(641,864,592)	434,341,494
Other current liabilities	(72,172,237)	(15,015,005)	(61,437,314)	70,399,345
Employee benefits paid	(17,090,998)	(102,133,579)	(16,925,069)	(33,040,488)
Net cash generated from operating activities	4,771,258,684	11,264,528,655	4,647,721,372	5,013,941,659
Taxes paid	(987,849,085)	(1,886,664,323)	(983,736,987)	(1,073,608,270)
Net cash flows from operating activities	3,783,409,599	9,377,864,332	3,663,984,385	3,940,333,389
Cash flows from investing activities				
Decrease in other current financial assets	1,000,000,000	2,850,000,000	1,000,000,000	2,650,000,000
Proceeds from sale of plant and equipment	12,422,089	19,196,945	12,383,289	7,723,187
Acquisition of plant and equipment	(10,095,120,642)	(4,933,921,732)	(9,994,486,534)	(3,311,501,835)
Acquisition of intangible assets	(95,190,637)	(91,034,445)	(82,346,416)	(98,294,585)
Acquisition of interest in associate	(36,750,000)	-	(36,750,000)	-
Proceeds from repayment of short-term loan to related party	-	1,377,172,800	-	-
Cash received from capital return of subsidiary	-	-	1,654,919,211	-
Cash paid for entire business transfer	3	-	(1,657,080,568)	-
Cash inflow on entire business transfer	3	-	204,202,719	-
Cash payments for short-term loans to related party	-	-	(1,000,000,000)	-
Cash receipts from issue of ordinary shares	-	2,143,887,293	-	2,143,887,293
Dividend received	20,813	-	2,978,700,813	-
Interest received	385,124,642	169,617,879	310,784,818	57,260,130
Net cash flows from (used in) investing activities	(8,829,493,735)	1,534,918,740	(6,609,672,668)	1,449,074,190

AGC 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	For the period from 1 July 2022 (the date of amalgamation) to 31 December
		2023	2022	2023	2022
(in Baht)					
Cash flows from financing activities					
Payment of lease liabilities		(217,666,476)	(175,318,148)	(161,515,964)	(24,071,979)
Dividends paid to owners of the Company	22	(3,868,754,845)	(3,362,464,266)	(3,868,754,845)	-
Interest on lease liabilities		(83,069,164)	(73,814,727)	(79,942,402)	(39,136,344)
Total cash flows used in financing activities		(4,169,490,485)	(3,611,597,141)	(4,110,213,211)	(63,208,323)
Translation of the financial statement		(47,155,991)	31,760,969	-	-
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(9,262,730,612)	7,332,946,900	(7,055,901,494)	5,326,199,256
Effect of exchange rate changes on cash and cash equivalents		206,505,144	26,883,527	206,505,144	-
Net increase (decrease) in cash and cash equivalents		(9,056,225,468)	7,359,830,427	(6,849,396,350)	5,326,199,256
Cash and cash equivalents at beginning of year/period		23,111,199,393	15,751,368,966	19,495,885,849	14,169,686,593
Cash and cash equivalents at ending of year/period	6	14,054,973,925	23,111,199,393	12,646,489,499	19,495,885,849
Non-cash transactions					
Payable from acquisition of associate		36,750,000	-	36,750,000	-
Purchase of plant and equipment for which no cash has been paid		449,107,794	477,013,209	449,107,794	406,352,233
Purchase of intangible assets for which no cash has been paid		72,718,738	127,857,444	72,718,738	98,563,871
Increase in right-of-use assets during the period		65,323,409	286,862,433	65,323,409	39,700,859

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Note	Contents
1	General information and amalgamation
2	Basis of preparation of the financial statements
3	Business combination by entire business transfer
4	Significant accounting policies
5	Related parties
6	Cash and cash equivalents
7	Trade and other current receivables
8	Inventories
9	Investment in associate
10	Investment in subsidiaries
11	Other non-current receivables
12	Property, plant and equipment
13	Leases
14	Intangible assets
15	Non-current provisions for employee benefits
16	Legal reserves
17	Disaggregation of revenue
18	Employee benefit expenses
19	Expenses by nature
20	Income tax
21	Earnings per share
22	Dividends
23	Financial instruments
24	Capital management
25	Commitments with non-related parties
26	Contingent liabilities
27	Events after the reporting period

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

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 directors on 14 February 2024.

1 General information and amalgamation

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

Parent and the Company’s major shareholders during the year were AGC Inc. (65% shareholding) which is incorporated in Japan and PTT Global Chemical Public Company Limited (33% shareholding) which is incorporated in Thailand.

The principal activities of the Group are the manufacturing and distributing of Polyvinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Sodium Hydroxide (caustic soda), Hydro Chloric Acid, Potassium Carbonate and Epichlorohydrin (ECH). Detail of the Company’s associate and subsidiaries as at 31 December 2023 and 2022 are given in notes 9 and 10.

The Company has established from the amalgamation between Vinythai Public Company Limited and AGC Chemicals (Thailand) Co., Ltd. (“ACTH”) which both are the manufacturing and distributing in basic chemicals business in order to generate synergies for the Company, by way of improving the efficiencies and enhancing competitiveness.

The amalgamation was considered as business combination of entities under common control, in which AGC Inc. has been the ultimate parent company of those amalgamated companies. Under the accounting standards, the consolidated financial statements was presented as if the amalgamation had been taken place since 1 January 2021 for the benefit of comparison. The Company accounts for the merged assets and liabilities using carrying amount of each entity at the amalgamation at the presumed amalgamation date, although the legal establishment of those companies under amalgamation will have been subsequently legal registered.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies are described in note 4 have been applied consistently to all periods presented in these financial statements.

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

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Business combination by entire business transfer

At the Board of Director's meeting of the Company held on 22 February 2023, the directors approved a resolution to transfer entire business of Advanced Biochemical (Thailand) Company Limited to AGC Vinythai Public Company Limited. As a result, on 30 June 2023, Advanced Biochemical (Thailand) Company Limited ("Business transferer company") entered into the entire business transfer agreement with AGC Vinythai Public Company Limited ("Business transferee company") by agreeing to transfer assets and liabilities under the agreement including rights and obligations under the agreement on transfer date on 3 July 2023.

On 3 July 2023, business transferer company transferred net assets as of transfer date in amount of Baht 1,657.08 million to business transferee company whereby business transferer company will receive cash as consideration for such transaction, totaling Baht 1,657.08 million by 31 October 2023. The business transferer company is registered its dissolution with the Ministry of Commerce followed by Revenue Code in relation to entire business transfer and in process of liquidation.

Identifiable assets acquired and liabilities assumed

	Net amount (in thousand Baht)
Cash and cash equivalents	204,203
Trade and other current receivables	810,920
Inventories	363,965
Value added tax receivable	99,394
Other current assets	3,690
Plant and equipment	1,426,121
Right-of-use assets	277,054
Intangible assets	71,891
Deferred tax assets	6,537
Trade and other current payables	(292,536)
Short-term loan from parent company	(1,000,000)
Current portion of lease liabilities	(73,052)
Income tax payable	(3,792)
Other current liabilities	(26,114)
Lease liabilities	(211,201)
Total identifiable net assets received	<u>1,657,080</u>

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

4 Significant accounting policies

(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.

Subsidiaries are entities 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 subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group’s interest in a subsidiary that does not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control is accounted for as other surplus / deficit in shareholders’ equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. 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.

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

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

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

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off 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.

(b) Investments in subsidiaries and associate

Investments in subsidiaries and associate in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

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.

Foreign operations

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

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

(d) Financial instruments

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivables (see note 4(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

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

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss 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.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive 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.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

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.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

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 the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivative are recognised at fair value and remeasured at fair value at each reporting date. 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 in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 4(d.4)).

(d.4) Hedging

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

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. 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 recognised in a cash flow 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 cash flow hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

For all other hedged forecast transactions, the amount accumulated in the cash flow 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 cash flow 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 cash flow hedging reserve are immediately reclassified to profit or loss.

(d.5) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, and loan commitments issued which are not measured at FVTPL.

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.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

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 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.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

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 takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(d.6) Write offs

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.

(d.7) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. 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.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have a maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

A trade accounts receivable is recognised when the Group has an unconditional right to receive consideration. A trade accounts receivable is measured at transaction price less allowance for expected credit. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. 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

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 capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

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 is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction and machinery under installation.

The estimated useful lives are as follows:

Lease land improvements	10 - 50	years
Buildings and building improvements	10 - 50	years
Machinery and equipment	4 - 30	years
Furniture, fixtures and office equipment	3 - 30	years
Vehicle	5 - 15	years

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

(i) *Intangible assets*

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss. The estimated useful lives are as follows:

Patents	15 - 20	years
Software licenses	3 - 10	years
Leasehold right	30	years

(j) *Leases*

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly 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 are recognised as expense on a straight-line basis over the respective lease terms.

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 prepaid lease payments, 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 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 all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. 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.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

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.

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

The recoverable amount is assessed from 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.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

(l) Employee benefits

Defined contribution plan

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. 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

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

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.

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.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognise costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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.

(m) 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 a finance cost.

(n) 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.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. 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.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

- Level 3: inputs for the asset or liability that are based on unobservable input.

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

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability 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, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(o) Revenue from contracts with customers

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. Revenue in foreign currency are translated into functional currency at exchange rates at the dates of transactions.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue and cost of sale for this transaction and remains recognition of inventory for the estimated products to be returned.

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.

For bundled packages, the Group recognises revenue from sales of products and rendering of services separately 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.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

(p) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

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

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

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

(q) Earnings per share

Basic earnings per share (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 year.

5 Related parties

A related party is a person or entity that has direct or indirect control or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or has significant influence over the financial and managerial decision-making.

Relationships with parent, associate and subsidiary are described in notes 1, 9 and 10. Other related parties which the Group had significant transactions with during the year were as follows:

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Name of entities	Country of Incorporation / Nationality	Nature of relationships
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
AGC Asia Pacific Pte., Ltd.	Singapore	Related company
GC Maintenance and Engineering Co., Ltd.	Thailand	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

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Significant transactions with related parties	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	For the period from 1 July 2022 (the date of amalgamation) to 31 December
	2023	2022	2023	2022

(in thousand Baht)

Parent

Revenue from sale of goods	274,539	308,656	217,564	81,804
Service income, net	92	2,240	-	1,120
Purchase of spare parts and other service expenses	24,494	28,901	-	-
Purchase of goods	100,988	174,904	58,014	22,381
Purchase of fixed assets	27,858	49,105	27,858	49,105
License and technical assistance service expenses	43,739	54,426	43,739	37,016
Other operating expenses	-	49,156	-	45,860

Subsidiaries

Revenue from sale of goods	-	-	739,077	681,330
Service income, net	-	-	80,334	102,454
Revenue from sale of spare parts	-	-	8,536	7,551
Interest income	-	-	250	-
Dividend income	-	-	2,978,680	-
Purchase of raw materials	-	-	135,180	110,103
Purchase of spare parts, services expenses and other manufacturing expenses	-	-	1,226	1,656
Commission expenses	-	-	8,429	5,045

Associate

Revenue from sale of goods	17,116	18,653	17,116	10,609
Purchase of raw materials	1,225,709	1,118,754	1,225,709	561,933

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Significant transactions with related parties	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	For the period from 1 July 2022 (the date of amalgamation) to 31 December
	2023	2022	2023	2022

(in thousand Baht)

Other related parties

Revenue from sale of goods	672,360	1,219,759	587,694	384,116
Service income, net	46,252	33,828	12,493	8,032
Interest income	-	662	-	-
Purchase of raw materials	6,893,547	8,750,183	6,632,275	3,310,887
Purchase of spare parts and other service expenses	232,053	177,129	178,264	31,667
Purchase of goods	118,257	267,101	58,758	43,247
Purchase of fixed assets	1,036,152	299,184	1,036,152	299,184
License and technical assistance service expenses	18,157	11,662	18,157	5,890
Insurance premium and other operating expenses	50,633	31,173	47,871	20,077
Interest on lease liabilities	10,649	11,515	7,916	3,248

Key management personnel

Key management personnel compensation

Short-term employee benefits (including director's remuneration)	124,856	134,177	124,856	78,265
Post-employee benefits and other long-term benefits	3,004	30,705	3,004	30,055
Total key management personnel compensation	127,860	164,882	127,860	108,320

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Balances with related parties At 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<i>(in thousand Baht)</i>				
Trade accounts receivable				
Parent	40,350	66,422	40,350	59,887
Subsidiaries	-	-	4,424	110,060
Associate	2,667	-	2,667	-
Other related parties	143,050	208,884	135,299	69,284
Total	186,067	275,306	182,740	239,231
Other current receivables				
Parent	218	135	-	-
Subsidiaries	-	-	-	24,600
Other related parties	9,558	9,587	9,558	8,484
Total	9,776	9,722	9,558	33,084
Trade accounts payable				
Parent	20,849	63,654	16,610	-
Subsidiaries	-	-	-	17,259
Associate	90,829	89,716	90,829	43,328
Other related parties	657,633	626,012	649,748	674,376
Total	769,311	779,382	757,187	734,963
Other current payables				
Parent	64,020	46,992	62,361	35,500
Subsidiaries	-	-	1,132	-
Associate	36,750	-	36,750	-
Other related parties	245,743	20,925	245,735	11,019
Total	346,513	67,917	345,978	46,519
Current portion of lease liabilities				
Other related parties	83,662	116,039	83,662	44,612
Total	83,662	116,039	83,662	44,612

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Balances with related parties At 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022

(in thousand Baht)

Other current liabilities

Other related parties	-	482	-	-
Total	-	482	-	-

Lease liabilities

Other related parties	308,836	392,497	308,836	169,449
Total	308,836	392,497	308,836	169,449

Other non-current payables

Parent	43,248	59,119	43,248	59,119
Total	43,248	59,119	43,248	59,119

Commitments with related parties At 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022

(in thousand Baht)

Capital commitments

Patents	24,903	26,801	24,903	26,801
Buildings and other	-	2,546,998	-	2,546,998
Machinery and equipment	1,534	-	1,534	-
Total	26,437	2,573,799	26,437	2,573,799

Other commitment

Purchase orders for raw and finished goods	715,297	115,297	715,297	115,297
Service contracts	5,319	-	5,319	-
Other agreements	523	172	523	172
Total	721,139	115,469	721,139	115,469

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Significant agreements with related parties

Lease agreement

On 7 January 2011 and 22 April 2022, the Company entered into the inventory tank lease agreements with a related company whereby the latter agreed to provide tanks and facilities services with the service fee as stipulated in the agreement. The terms of agreement are for a period of 15 and 5 years starting from 1 January 2012 to 31 December 2026 and 1 May 2022 to 30 April 2027, respectively.

Consultancy service agreements

On 1 March 2023, the Company 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 2023 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, the Company 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 service fee 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, the Company 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 service fee 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.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

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.

Service agreement

On 3 July 2023, the Company 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 3 July 2023 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.

VCM and PVC 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 PVC 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.

On 21 March 2021, the Company entered into sub-license contract with AGC Inc., for the purpose of construction of a new VCM plant and expansion of production capacity. The Company shall pay the service fee as specified in the agreements. This agreement has no expiry date.

Caustic soda supply agreements

On 8 October 2020 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.

Technical assistance agreement

On 1 March 2023, the Company entered into technical assistance agreement with AGC Inc., whereby the parent company agrees to provide technical assistance service in relation to the Company production of products. The Company shall pay the service fee as specified in the agreement. This agreement is valid until 31 December 2023 and shall be automatically renewed for another 1 year unless terminated by either party a written notice at least 1 month before the expiration date.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cash on hand	61	85	-	-
Cash at banks - current accounts	38,599	44,149	5,902	11,012
Cash at banks - savings accounts	9,872,774	9,010,490	8,497,047	6,230,961
Highly liquid short-term investments	4,143,540	14,056,475	4,143,540	13,253,913
Total	14,054,974	23,111,199	12,646,489	19,495,886

7 Trade and other current receivables

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Trade accounts receivables	4,101,258	4,526,634	4,004,288	3,886,857
Value added tax receivable	937,996	527,188	937,996	376,182
Receivables from raw				
materials supply agreements	90,317	129,522	90,317	129,522
Advance payment for supplies	107,632	87,776	107,632	87,776
Others	24,805	28,389	17,534	50,552
Total	5,262,008	5,299,509	5,157,767	4,530,889

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

The aging analysis of trade accounts receivable is as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Within credit terms	3,903,051	4,391,354	3,813,994	3,760,157
Overdue:				
1-30 days	198,170	120,922	190,257	120,922
31-60 days	37	12,413	37	3,833
More than 90 days	439,385	441,330	439,385	441,330
Total	4,540,643	4,966,019	4,443,673	4,326,242
Less allowance for expected credit loss	(439,385)	(439,385)	(439,385)	(439,385)
Net	4,101,258	4,526,634	4,004,288	3,886,857

Allowance for expected credit loss	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	For the period from 1 July 2022 (the date of amalgamation) to 31 December
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
At 1 January / 1 July	439,385	442,027	439,385	443,490
Addition	-	1,463	-	-
Reversal	-	(4,105)	-	(4,105)
At 31 December	439,385	439,385	439,385	439,385

The normal credit term granted by the Group ranges from 15 days to 120 days.

Information of credit risk is disclosed in note 23 (b.1).

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Finished goods	944,093	1,055,717	886,599	837,194
Work in progress	6,363	5,793	-	-
Raw materials	887,680	887,816	796,126	607,629
Packaging	17,207	48,861	17,206	17,672
Spare parts	573,584	604,829	545,837	585,720
Goods in transit	190,170	142,566	116,119	41,632
Total	2,619,097	2,745,582	2,361,887	2,089,847
Less allowance for decline in value	(15,064)	(89,368)	(12,039)	(31,118)
Net	2,604,033	2,656,214	2,349,848	2,058,729

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	For the period from 1 July 2022 (the date of amalgamation) to 31 December
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			

Inventories recognised in
cost of sale of goods:

- Cost	28,361,650	35,891,061	22,504,014	11,302,586
- (Reversal) of write-down to net realisable value	(74,304)	4,579	(19,079)	(15,268)
Net	28,287,346	35,895,640	22,484,935	11,287,318

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

9 Investment in associate

Consolidated financial statements									
Ownership interest		Paid-up capital		Cost			Equity		Dividend income for the year ended 31 December
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		(in thousand Baht)							
49	49	418,640	268,640	921,860	848,360	951,194	877,649	-	-

Associate

Pimai Salt Company Limited

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

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.

On 25 August 2023, the Extraordinary meeting of Pimai Salt Company Limited approved an increase of registered share capital of the Company by 1,500,000 ordinary shares from 2,686,400 shares to 4,186,400 shares at Baht 100 per share amounting to Baht 418.64 million for purpose of the land purchased for sourcing main raw materials. The Board of Director's meeting of the Company resolved the increase in share capital in Pimai Salt Company Limited amounting to Baht 73.50 million. The ownership interest in associate has not been changed from capital increase.

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	
	2023	2022
	(in thousand Baht)	
Carrying amount of interests in immaterial associates	951,194	877,649
Acquire share capital during the year	73,500	-
Group's share of profit from continuing operations	45	6

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

10 Investments in subsidiaries

Separate financial statements												
Type of business	Country of operation	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net	For the year ended 31 December	Dividend income For the period from 1 July 2022 (the date of amalgamation) to 31 December
		2023	2022	2023	2022	2023	2022	2023	2022			
		(%)										
		(in thousand Baht)										
Advanced Biochemical (Thailand) Company Limited	Thailand	100	100	Baht	Baht	1,080	1,454,097	-	-	1,080	1,454,097	-
				1,500 million	1,500 million							2,972,700
AGC Chemicals Vietnam Co., Ltd.	Vietnam	78.11	78.11	VND	VND	1,462,731	1,462,731	-	-	1,462,731	1,462,731	-
				725 billion	725 billion							
SURISA LIMITED	Thailand	100	100	Baht	Baht	1,000	1,000	-	-	1,000	1,000	-
				1 million	1 million							5,980
Total						1,464,811	2,917,828	-	-	1,464,811	2,917,828	2,978,680

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

11 Other non-current receivables

Other non-current receivables is present the difference between the offering price to private placement on 26 December 2022 and fair value of Baht 2,550.25 million. This transaction was regarded as a share-based payment arising from the benefits that the Company would receive from the raw materials supply agreement with PTTGC for 12 years from 1 January 2023 to 31 December 2034. At 31 December 2023, the Company presented the difference between the offering price and fair value of Baht 2,425.11 million (2022: Baht 2,550.25 million) as other current receivable and other non-current receivables of Baht 90.32 million (2022: Baht 129.52 million) and Baht 2,334.79 million (2022: Baht 2,420.73 million), respectively in the statement of financial position, which will be recognised as part of the cost of sale of goods based on the actual quantity of raw materials purchased.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

12 Property, Plant and Equipment

Consolidated financial statements							
Land	Lease land improvement	Building and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicle	Asset under construction and machinery under installation	Total
(in thousand Baht)							
Cost							
At 1 January 2022	210,572	856,393	3,724,399	36,213,305	634,734	42,249	1,849,013
Additions	-	969	129,154	235,366	29,893	-	5,002,723
Transfers	-	1,257	259,328	813,774	16,120	870	(1,091,349)
Disposals	-	(87,107)	(214,079)	(1,750,928)	(77,962)	(2,656)	-
Reclassification	-	-	-	(141,579)	-	-	(2,132,732)
Effect of movements in exchange rates	-	-	(651)	480	(7,925)	(5)	(141,579)
							(7,505)
At 31 December 2022 and 1 January 2023	210,572	771,512	3,898,151	35,370,418	594,860	40,458	5,760,983
Additions	140,976	-	29,923	173,015	13,205	555	9,699,809
Transfers	-	-	97,163	400,268	14,594	137	(512,162)
Disposals	-	(1,382)	(75,526)	(529,719)	(4,913)	(12)	(1,256)
Effect of movements in exchange rates	-	-	(8,781)	(101,040)	6,302	(320)	(1,153)
							(104,992)
At 31 December 2023	351,548	770,130	3,940,930	35,312,942	624,048	40,818	14,946,221
							55,986,637
Depreciation and impairment loss							
At 1 January 2022	-	492,369	2,131,357	29,834,605	525,687	22,618	-
Depreciation charge for the year	-	19,928	122,754	1,286,946	37,360	3,485	-
Impairment losses	-	1,906	7,175	10,290	-	-	-
Disposals	-	(73,842)	(150,144)	(1,645,687)	(72,513)	(2,503)	-
Effect of movements in exchange rates	-	-	(432)	(17,408)	(82)	(6)	-
							(17,928)
At 31 December 2022 and 1 January 2023	-	440,361	2,110,710	29,468,746	490,452	23,594	-
Depreciation charge for the year	-	19,367	121,034	1,067,437	33,679	3,319	-
Impairment losses	-	(282)	4,164	(9,349)	20	-	-
Disposals	-	(866)	(64,904)	(486,897)	(4,764)	(12)	-
Effect of movements in exchange rates	-	-	(9,117)	(72,488)	(5,785)	(298)	-
							(87,688)
At 31 December 2023	-	458,580	2,161,887	29,969,449	513,602	26,603	-
							33,128,121

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

	Consolidated financial statements						
	Land	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>Net book value</i>							
At 31 December 2022	210,572	331,151	1,787,441	5,901,672	104,408	16,864	5,760,983
At 31 December 2023	351,548	311,550	1,779,043	5,345,493	110,446	14,215	14,946,221
							22,858,516

(in thousand Baht)

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Separate financial statements							
Land	Lease land improvement	Building and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicle	Asset under construction and machinery under installation	Total
(in thousand Baht)							
Cost							
At 1 July 2022 (the date of amalgamation)	800,053	2,876,396	29,388,468	553,693	33,248	2,658,114	36,520,544
Additions	-	124,650	98,320	8,770	-	3,447,902	3,679,642
Transfers	-	221,713	201,414	3,221	-	(426,348)	-
Disposals	(28,541)	(81,977)	(340,225)	(4,863)	(200)	-	(455,806)
At 31 December 2022 and 1 January 2023	771,512	3,140,782	29,347,977	560,821	33,048	5,679,668	39,744,380
Additions	-	29,923	143,099	11,259	-	9,635,003	9,960,260
Transfers	-	97,163	334,670	11,920	137	(443,890)	-
Disposals	(1,382)	(75,361)	(473,171)	(3,537)	(12)	-	(553,463)
Transfer through entire business transfer	-	547,264	4,050,521	9,120	-	46,447	4,653,352
At 31 December 2023	770,130	3,739,771	33,403,096	589,583	33,173	14,917,228	53,804,529
Depreciation and impairment loss							
At 1 July 2022	447,617	1,824,826	24,647,966	438,278	14,594	-	27,373,281
(the date of amalgamation)	9,886	44,555	477,180	17,481	1,736	-	550,838
Depreciation charge for the period	(1,624)	(5,243)	505	-	-	-	(6,362)
(Reversal of) impairment losses	(17,141)	(66,019)	(296,228)	(4,753)	(47)	-	(384,188)
Disposals	-	-	-	-	-	-	-
At 31 December 2022 and 1 January 2023	438,738	1,798,119	24,829,423	451,006	16,283	-	27,533,569
Depreciation charge for the year	19,367	94,934	952,794	31,470	3,237	-	1,101,802
(Reversal of) impairment losses	(282)	(1,932)	(9,349)	20	-	-	(11,543)
Disposals	(866)	(64,842)	(438,357)	(3,389)	(12)	-	(507,466)
Transfer through entire business transfer	-	238,648	2,979,698	8,885	-	-	3,227,231
At 31 December 2023	456,957	2,064,927	28,314,209	487,992	19,508	-	31,343,593

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Separate financial statements								
	Land	Lease land improvement	Building and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicle	Asset under construction and machinery under installation	Total
	(in thousand Baht)							
Net book value								
At 31 December 2022	210,572	332,774	1,342,663	4,518,554	109,815	16,765	5,679,668	12,210,811
At 31 December 2023	351,548	313,173	1,674,844	5,088,887	101,591	13,665	14,917,228	22,460,936

(in thousand Baht)

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

13 Leases

Right-of-use assets At 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
(in thousand Baht)				
Lease land	1,202,013	1,273,556	1,202,013	1,247,823
Building and building improvement	574,357	703,394	574,357	414,990
Machinery and equipment	784	2,127	784	2,127
Furniture, fixtures and office equipment	1,333	3,637	1,333	3,637
Vehicle	57,741	52,660	57,741	52,556
Total	1,836,228	2,035,374	1,836,228	1,721,133

In 2023, additions to the right-of-use assets of the Group and the Company were Baht 65.3 million and Baht 65.3 million, respectively (2022: Baht 286.8 million and from 1 July 2022 (the date of amalgamation) to 31 December 2022 Baht 39.7 million, respectively).

The Group leased land, inventory tanks, office premise, vehicles, machinery and office equipment for periods ranging from 2 years to 30 years and made fixed payments during the lease term. The rental is payable monthly as specified in the contract.

Consolidated financial statements		Separate financial statements	
For the year ended 31 December		For the year ended 31 December	For the period from 1 July 2022 (the date of amalgamation) to 31 December
2023	2022	2023	2022
(in thousand Baht)			

Amounts recognised in profit or loss

Depreciation of right-of-use assets:

- Lease land	75,349	69,114	74,439	36,235
- Building and building improvement	154,257	132,662	118,172	38,826
- Machinery and equipment	1,344	1,344	1,344	673
- Furniture, fixtures and office equipment	2,304	3,332	2,304	1,646
- Vehicle	21,743	16,303	21,640	8,930
Interest on lease liabilities	83,069	73,815	79,942	39,136
Expenses to short-term leases	11,587	15,093	11,587	8,953
Expenses relating to leases of low-value assets	56,956	41,005	55,955	31,797

In 2023, total cash outflow for lease liabilities of the Group and the Company were Baht 300.7 million and Baht 241.5 million, respectively (2022: Baht 248.5 million and from 1 July 2022 (the date of amalgamation) to 31 December 2022 Baht 63.2 million, respectively).

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

14 Intangible assets

	Consolidated financial statements				
	Patents	Software licenses	Leasehold right	Intangible assets under installation	Total
	(in thousand Baht)				
Cost					
At 1 January 2022	356,483	259,253	65,000	303,688	984,424
Additions	-	22,559	-	144,991	167,550
Transfers	-	1,201	-	(1,201)	-
Disposal	-	(14,363)	-	-	(14,363)
Effect of movements in exchange rates	-	(16)	(45)	-	(61)
At 31 December 2022 and 1 January 2023	356,483	268,634	64,955	447,478	1,137,550
Additions	-	13,729	-	31,592	45,321
Transfers	-	29,354	-	(29,354)	-
Disposal	-	(6,595)	-	-	(6,595)
Effect of movements in exchange rates	-	(1,166)	(2,618)	(30)	(3,814)
At 31 December 2023	356,483	303,956	62,337	449,686	1,172,462
Amortisation					
At 1 January 2022	225,192	140,060	47,513	-	412,765
Amortisation charge for the year	22,868	30,634	2,215	-	55,717
Disposal	-	(10,439)	-	-	(10,439)
Effect of movements in exchange rates	-	(66)	(82)	-	(148)
At 31 December 2022 and 1 January 2023	248,060	160,189	49,646	-	457,895
Amortisation charge for the year	22,873	33,300	2,159	-	58,332
Disposal	-	(6,309)	-	-	(6,309)
Effect of movements in exchange rates	-	(485)	(2,082)	-	(2,567)
At 31 December 2023	270,933	186,695	49,723	-	507,351

Notes to the financial statements for the year ended 31 December 2023

Consolidated financial statements					
	Patents	Software licenses	Leasehold right	Intangible assets under installation	Total
					(in thousand Baht)
Net book value					
At 31 December 2022	108,423	108,445	15,309	447,478	679,655
At 31 December 2023	85,550	117,261	12,614	449,686	665,111

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

	Separate financial statements			
	Patents	Software licenses	Intangible assets under installation	Total
	(in thousand Baht)			
Cost				
At 1 July 2022 (the date of amalgamation)	55,729	229,531	302,545	587,805
Additions	-	22,459	144,983	167,442
Transfer	-	50	(50)	-
Disposal	-	(6,954)	-	(6,954)
At 31 December 2022 and 1 January 2023	55,729	245,086	447,478	748,293
Additions	-	13,248	19,229	32,477
Transfer	-	17,780	(17,780)	-
Disposal	-	(310)	-	(310)
Transfer through entire business transfer	300,754	-	-	300,754
At 31 December 2023	356,483	275,804	448,927	1,081,214
Amortisation				
At 1 July 2022 (the date of amalgamation)	27,861	133,202	-	161,063
Amortisation charge for the period	1,405	14,452	-	15,857
Disposal	-	(3,036)	-	(3,036)
At 31 December 2022 and 1 January 2023	29,266	144,618	-	173,884
Amortisation charge for the year	12,804	31,091	-	43,895
Disposal	-	(310)	-	(310)
Transfer through entire business transfer	228,863	-	-	228,863
At 31 December 2023	270,933	175,399	-	446,332
Net book value				
At 31 December 2022	26,463	100,468	447,478	574,409
At 31 December 2023	85,550	100,405	448,927	634,882

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

15 Non-current provisions for employee benefits

At 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
(in thousand Baht)				
Post-employment benefits	685,180	602,331	674,042	591,320
Other long-term employment benefits	37,749	33,292	37,749	33,292
Total	722,929	635,623	711,791	624,612

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.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Present value of the defined benefit obligations	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	For the period from 1 July 2022 (the date of amalgamation) to 31 December
	2023	2022	2023	2022
(in thousand Baht)				
At 1 January / 1 July	635,623	903,710	624,612	822,567
Recognised in profit or loss:				
Current service cost	38,602	58,516	37,843	28,194
Past service cost	-	(205,606)	-	(187,746)
Interest on obligation	20,153	21,681	20,153	11,428
	58,755	(125,409)	57,996	(148,124)
Recognised in other comprehensive income				
Actuarial (gain) loss				
- Demographic assumptions	-	5,242	-	(1,451)
- Financial assumptions	17,276	(62,977)	17,276	(32,504)
- Experience adjustment	28,832	17,192	28,832	17,164
	46,108	(40,543)	46,108	(16,791)
Benefits paid	(17,091)	(102,134)	(16,925)	(33,040)
Effect of movements in exchange rates	(466)	(1)	-	-
As at 31 December	722,929	635,623	711,791	624,612

Principle actuarial assumptions	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(%)			
Discount rate	2.81 - 3.09	2.67 - 3.42	2.81 - 3.09	2.67 - 3.42
Future salary growth	4.00 - 10.00	4.00 - 10.00	4.00 - 10.00	4.00 - 10.00
Employee turnover	1.00 - 10.00	1.00 - 10.00	1.00 - 10.00	1.00 - 10.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2023, the weighted-average duration of Legal Severance Plan, Long Service Awards and Gratuity Benefit were 15 years 15 years and 9 years, respectively (2022: 15 years, 15 years and 10 years, respectively).

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

Effect to the defined benefit obligation	Consolidated financial statements	
	Increase	Decrease
(in thousand Baht)		
At 31 December 2023		
Discount rate (1% movement)	(63,198)	73,159
Future salary growth (1% movement)	59,587	(52,063)
Employee turnover (10% movement)	(3,335)	3,433
At 31 December 2022		
Discount rate (1% movement)	(36,268)	89,518
Future salary growth (1% movement)	44,614	(14,839)
Employee turnover (10% movement)	(19,150)	25,075

Effect to the defined benefit obligation	Separate financial statements	
	Increase	Decrease
(in thousand Baht)		
At 31 December 2023		
Discount rate (1% movement)	(63,198)	73,159
Future salary growth (1% movement)	59,587	(52,063)
Employee turnover (10% movement)	(3,335)	3,433
At 31 December 2022		
Discount rate (1% movement)	(36,268)	89,518
Future salary growth (1% movement)	44,614	(14,839)
Employee turnover (10% movement)	(19,150)	25,075

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

16 Legal Reserves

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.

17 Disaggregation of revenue

For the year ended 31 December	Consolidated financial statements	
	2023	2022
(in thousand Baht)		
Disaggregation of revenue		
Major products:		
Polyvinyl Chloride (PVC)	14,760,468	21,035,806
Sodium Hydroxide (caustic soda)	9,408,499	8,638,276
Vinyl Chloride Monomer (VCM)	1,488,584	2,210,437
Chlorine	1,889,886	896,891
Epichlorohydrin (ECH)	4,942,931	9,405,909
Others	1,911,896	5,931,691
Total revenue	34,402,264	48,119,010
Timing of revenue recognition:		
At a point in time	34,402,264	48,119,010

Promotional privileges

The Company has been granted privileges by the office of the Board of Investment for Sodium Hydroxide (caustic soda) and Epichlorohydrin (ECH) including exemption and/or reduction of income tax on net profit derived from promoted operations by 50% with certain terms and conditions prescribed in the promotional certificates, which the Company must comply with.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

18 Employee benefit expense

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	For the period from 1 July 2022 (the date of amalgamation) to 31 December
	2023	2022	2023	2022
	(in thousand Baht)			
Wages and salaries	1,071,718	1,064,942	1,022,250	525,120
Bonus	252,655	383,237	252,655	258,083
Defined contribution plans	63,062	43,471	63,062	27,868
Defined benefit plans	58,755	(125,409)	57,996	(148,124)
Others	185,516	287,518	176,202	107,664
Total	1,631,706	1,653,759	1,572,165	770,611

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 7% and 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.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

19 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	For the period from 1 July 2022 (the date of amalgamation) to 31 December
	2023	2022	2023	2022
(in thousand Baht)				
Raw materials and consumables used	16,579,605	24,403,300	11,071,466	5,597,390
Electricity and fuel expense	8,578,142	8,698,780	8,442,535	4,419,766
Employee benefit expenses	1,631,706	1,653,759	1,572,165	770,611
Depreciation and amortisation	1,558,165	1,748,945	1,363,505	653,005
Transportation expenses	940,363	1,405,317	755,542	450,371
Lease and service expenses	89,761	88,948	88,759	37,537
Expense relating to amalgamation	-	95,679	-	85,213
Others	1,091,102	852,728	1,005,678	377,339
Total	30,468,844	38,947,456	24,299,650	12,391,232

20 Income tax

Income tax recognised in profit or loss	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	For the period from 1 July 2022 (the date of amalgamation) to 31 December
	2023	2022	2023	2022
(in thousand Baht)				
Current tax expense				
Current year/period	840,634	1,670,283	798,734	505,277
Over provided in prior year	(21,822)	(2,925)	(20,385)	-
	818,812	1,667,358	778,349	505,277
Deferred tax expense				
Movements in temporary differences	1,389	33,222	(4,067)	27,677
Utilisation of previously recognised tax losses	-	7,788	-	-
	1,389	41,010	(4,067)	27,677
Net	820,201	1,708,368	774,282	532,954

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Consolidated financial statements						
Income tax recognised in other comprehensive income	2023			2022		
	Before tax	Tax income (expense)	Net of tax	Before tax	Tax expense	Net of tax
(in thousand Baht)						
Cash flow hedges reserve	105,195	(21,039)	84,156	17,743	(3,549)	14,194
Defined benefit plan actuarial gains (losses)	(46,108)	9,222	(36,886)	41,567	(8,313)	33,254
Gains on investment in securities measured at FVOCI	75	(15)	60	880	(176)	704
Effect of movements in exchange rates	(64,672)	-	(64,672)	11,226	-	11,226
Net	(5,510)	(11,832)	(17,342)	71,416	(12,038)	59,378

Seperate financial statements						
Income tax recognised in other comprehensive income	For the year ended 31 December 2023			For the period from 1 July 2022 (the date of amalgamation) to 31 December 2022		
	Before tax	Tax income (expense)	Net of tax	Before tax	Tax expense	Net of tax
(in thousand Baht)						
Cash flow hedges reserve	111,217	(22,243)	88,974	64,076	(12,815)	51,261
Defined benefit plan actuarial gains (losses)	(46,108)	9,221	(36,887)	16,790	(3,358)	13,432
Gains on investment in securities measured at FVOCI	75	(15)	60	880	(176)	704
Net	65,184	(13,037)	52,147	81,746	(16,349)	65,397

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Reconciliation of effective tax rate	Consolidated financial statements				Separate financial statements			
	2023		2022		For the year ended 31 December 2023		For the period from 1 July 2022 (the date of amalgamation) to 31 December 2022	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>4,316,565</u>		<u>9,409,734</u>		<u>7,273,793</u>		<u>2,794,044</u>
Income tax using the Thai corporation tax rate	20	863,313	20	1,881,947	20	1,454,759	20	558,809
Income not subject to tax from promotional privileges		(61,310)		(66,852)		(97,170)		(27,487)
Income not subject to tax		(8,360)		-		(604,098)		-
Expenses additionally deductible for tax purposes		(2,584)		(56,040)		(2,584)		(3,069)
Expenses additionally deductible from promotional privileges		-		(74,788)		-		(20)
Expenses not deductible for tax purposes		49,164		6,283		44,261		1,149
Over provided in prior year		(21,822)		(2,925)		(20,385)		-
Others		<u>1,800</u>		<u>20,743</u>		<u>(501)</u>		<u>3,572</u>
Total	19	<u>820,201</u>	18	<u>1,708,368</u>	11	<u>774,282</u>	19	<u>532,954</u>

Deferred tax at	Consolidated financial statements				Separate financial statements			
	Assets		Liabilities		Assets		Liabilities	
	2023	2022	2023	2022	2023	2022	2023	2022
(in thousand Baht)								
Total	171,285	160,644	(25,303)	(1,391)	163,495	147,338	(25,303)	(176)
Set off of tax	(25,303)	(1,391)	25,303	1,391	(25,303)	(176)	25,303	176
Transfer through entire business transfer	-	-	-	-	6,537	-	-	-
Net deferred tax assets	<u>145,982</u>	<u>159,253</u>	<u>-</u>	<u>-</u>	<u>144,729</u>	<u>147,162</u>	<u>-</u>	<u>-</u>

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Deferred tax	Consolidated financial statements (Charged) / credited to				
	At 1 January	Profit or loss	Other comprehensive income	Effect of movements in exchange rates	At 31 December
(in thousand Baht)					
2023					
Deferred tax assets					
Allowance for impairment loss					
on assets	9,709	(5)	-	(50)	9,654
Employee benefit obligations	118,923	8,215	9,221	-	136,359
Derivatives assets	1,594	(2,656)	1,518	-	456
Right-of-use assets	10,675	9,864	-	-	20,539
Allowance for expected credit loss	1,705	-	-	-	1,705
Allowance for decline in value	18,038	(15,466)	-	-	2,572
Total	160,644	(48)	10,739	(50)	171,285
Deferred tax liabilities					
Derivatives	(1,215)	(1,341)	(22,556)	-	(25,112)
Fair value change in financial assets measured at FVOCI	(176)	-	(15)	-	(191)
Total	(1,391)	(1,341)	(22,571)	-	(25,303)
Net	159,253	(1,389)	(11,832)	(50)	145,982

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements For the year ended 31 December 2023

Deferred tax	Consolidated financial statements (Charged) / credited to			
	At 1 January	Profit or loss	Other comprehensive income	At 31 December

(in thousand Baht)

2022

Deferred tax assets

Allowance for impairment loss on assets	7,000	2,709	-	9,709
Employee benefit obligations	180,742	(53,506)	(8,313)	118,923
Derivatives assets	1,120	1,585	(1,111)	1,594
Loss carry forward	7,788	(7,788)	-	-
Right-of-use assets	2,138	8,537	-	10,675
Allowance for expected credit loss	2,233	(528)	-	1,705
Allowance for decline in value	11,280	6,758	-	18,038
Total	212,301	(42,233)	(9,424)	160,644

Deferred tax liabilities

Derivatives	-	1,223	(2,438)	(1,215)
Fair value change in financial assets measured at FVOCI	-	-	(176)	(176)
Total	-	1,223	(2,614)	(1,391)
Net	212,301	(41,010)	(12,038)	159,253

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Deferred tax	Separate financial statements (Charged) / credited to				
	At 1 January	Profit or loss	Other comprehensive income	Transfer through entire business transfer	At 31 December

(in thousand Baht)

2023**Deferred tax assets**

Allowance for impairment loss

on assets	9,495	(2,313)	-	1,219	8,401
-----------	-------	---------	---	-------	-------

Employee benefit obligations	116,539	8,215	9,221	-	133,975
------------------------------	---------	-------	-------	---	---------

Derivatives	1,139	(5,330)	313	3,878	-
-------------	-------	---------	-----	-------	---

Right-of-use assets	12,236	9,867	-	1,440	23,543
---------------------	--------	-------	---	-------	--------

Allowance for expected

credit loss	1,705	-	-	-	1,705
-------------	-------	---	---	---	-------

Allowance for decline in value	6,224	(3,816)	-	-	2,408
--------------------------------	-------	---------	---	---	-------

Total	147,338	6,623	9,534	6,537	170,032
--------------	----------------	--------------	--------------	--------------	----------------

Deferred tax liabilities

Investment in equity

instruments designated at

FVOCI gains	(176)	-	(15)	-	(191)
-------------	-------	---	------	---	-------

Derivatives	-	(2,556)	(22,556)	-	(25,112)
-------------	---	---------	----------	---	----------

Total	(176)	(2,556)	(22,571)	-	(25,303)
--------------	--------------	----------------	-----------------	----------	-----------------

Net	147,162	4,067	(13,037)	6,537	144,729
------------	----------------	--------------	-----------------	--------------	----------------

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Deferred tax	Separate financial statements (Charged) / credited to			
	At 1 January	Profit or loss	Other comprehensive income	At 31 December

(in thousand Baht)

2022

Deferred tax assets

Allowance for impairment loss on assets	10,724	(1,229)	-	9,495
Employee benefit obligations	155,924	(36,027)	(3,358)	116,539
Derivatives	12,768	1,186	(12,815)	1,139
Right-of-use assets	1,071	11,165	-	12,236
Allowance for expected credit loss	2,526	(821)	-	1,705
Allowance for decline in value	8,174	(1,950)	-	6,224
Total	191,187	(27,676)	(16,173)	147,338

Deferred tax liabilities

Investment in equity instruments designated at FVOCI gains	-	-	(176)	(176)
Total	-	-	(176)	(176)
Net	191,187	(27,676)	(16,349)	147,162

Unrecognised deferred tax assets	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022

(in thousand Baht)

Allowance for expected credit loss	86,171	86,171	86,171	86,171
Total	86,171	86,171	86,171	86,171

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

21 Earnings per share

The calculations of basic earnings per share for the year ended 31 December 2023 and 2022 were calculated by dividing the profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Consolidated financial statements		Separate financial statements	
For the year ended 31 December		For the year ended 31 December	For the period from 1 July 2022 (the date of amalgamation) 31 December
2023	2022	2023	2022

(in thousand Baht / in thousand shares)

Profit attributable to ordinary**shareholders of the Company (basic)**

	3,468,187	7,695,641	6,499,510	2,261,091
Number of ordinary shares outstanding at 1 January / 1 July	2,358,997	2,127,790	2,358,997	2,183,515
Effect of share issued related to a business combination	-	7,867	-	-
Effect of shares issued (26 December)	-	49,804	-	1,946
Weighted average number of ordinary shares outstanding (basic)	2,358,997	2,185,461	2,358,997	2,185,461
Basic earnings per share (in Baht)	1.47	3.52	2.76	1.03

22 Dividends

	Approval date	Payment schedule	Dividend rate per share	Amount
			(Baht)	(in million Baht)
2023				
Annual dividend	26 April 2023	May 2023	1.64	3,868.8
2022				
Annual dividend				
- Vinythai Public Company Limited	27 April 2022	May 2022	2.4	2,844.5
- AGC Chemical (Thailand) Co., Ltd.	26 April 2022	April 2022	37.0	518.0
				3,362.5

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

23 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, but 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					
Carrying amount			Fair value		
Hedging instruments	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Total

(in thousand Baht)

At 31 December 2023

Financial assets

Investment in equity instruments	-	955	955	955	-	955
Forward exchange contract used for hedging	125,556	-	125,556	-	125,556	125,556

At 31 December 2022

Financial assets

Investment in equity instruments	-	880	880	880	-	880
Forward exchange contract used for hedging	382	-	382	-	382	382

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Separate financial statements					
Carrying amount			Fair value		
Hedging instruments	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Total

(in thousand Baht)

At 31 December 2023**Financial assets**

Investment in equity instruments	-	955	955	955	-	955
Forward exchange contract used for hedging	125,556	-	125,556	-	125,556	125,556

At 31 December 2022**Financial assets**

Investment in equity instruments	-	880	880	880	-	880
----------------------------------	---	-----	-----	-----	---	-----

Financial liabilities

Forward exchange contract used for hedging	(5,694)	-	(5,694)	-	(5,694)	(5,694)
--	---------	---	---------	---	---------	---------

The following table present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique
Forward exchange contracts	Forward pricing: 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.

(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.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

The Company board of director 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.

(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 commercial terms 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 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables are disclosed in note 7.

(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.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

(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 shows the remaining contractual 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.

Consolidated financial statements				
Carrying amount	Contractual cash flows			
	1 year or less	More than 1 years but less than 5 years	More than 5 years	Total

(in million Baht)

At 31 December 2023**Non-derivative financial liabilities**

Trade and other current payables	3,778	3,778	-	-	3,778
Lease liabilities	1,922	272	804	1,457	2,533
	5,700	4,050	804	1,457	6,311

Derivative financial assets

Forward exchange contracts used for hedging:

- Cash outflow	-	(3,263)	-	-	(3,263)
- Cash inflow	125	3,388	-	-	3,388
	125	125	-	-	125

At 31 December 2022**Non-derivative financial liabilities**

Trade and other current payables	4,434	4,434	-	-	4,434
Lease liabilities	2,064	291	970	1,455	2,716
	6,498	4,725	970	1,455	7,150

Derivative financial assets

Forward exchange contracts used for hedging:

- Cash outflow	-	(2,213)	-	-	(2,213)
- Cash inflow	-	2,214	-	-	2,214
	-	1	-	-	1

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Separate financial statements				
Carrying amount	Contractual cash flows			
	1 year or less	More than 1 years but less than 5 years	More than 5 years	Total

(in million Baht)

At 31 December 2023**Non-derivative financial liabilities**

Trade and other current payables	3,073	3,073	-	-	3,073
Lease liabilities	1,922	272	804	1,457	2,533
	4,995	3,345	804	1,457	5,606

Derivative financial assets

Forward exchange contracts

used for hedging:

- Cash outflow	-	(3,263)	-	-	(3,263)
- Cash inflow	125	3,388	-	-	3,388
	125	125	-	-	125

At 31 December 2022**Non-derivative financial liabilities**

Trade and other current payables	3,454	3,454	-	-	3,454
Lease liabilities	1,743	212	732	1,430	2,374
	5,197	3,666	732	1,430	5,828

Derivative financial liabilities

Forward exchange contracts

used for hedging:

- Cash outflow	(6)	(1,661)	-	-	(1,661)
- Cash inflow	-	1,656	-	-	1,656
	(6)	(5)	-	-	(5)

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.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

(b.3 Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(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.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Exposure to foreign currency At 31 December	Consolidated financial statements 2023							
	USD	EUR	JPY	GBP	SGD	VND	INR	Total
	(in thousand Baht)							
Cash and cash equivalents	3,918,549	-	10,094	-	-	1,395,088	-	5,323,731
Trade accounts receivable	1,144,175	39,446	9,110	-	-	93,643	-	1,286,374
Other receivables	14,031	70	68,547	-	-	7,050	-	89,698
Trade accounts payable	(890,685)	(11,938)	(29,214)	(21)	(1,184)	(49,266)	-	(982,308)
Other payables	(94,484)	(12,838)	(61,318)	(53)	-	(85,234)	(399)	(254,326)
Other non-current payables	(2,062)	-	(43,248)	-	-	-	-	(45,310)
Net statement of financial position exposure	4,089,524	14,740	(46,029)	(74)	(1,184)	1,361,281	(399)	5,417,859
Sales forecast	1,568,897	-	4,011	-	-	-	-	1,572,908
Purchases of goods and fixed assets forecast	-	(97,740)	(169,044)	-	-	-	-	(266,784)
Net forecast transaction exposure	5,658,421	(83,000)	(211,062)	(74)	(1,184)	1,361,281	(399)	6,723,983
Forward exchange purchase contracts	416,719	107,798	216,579	-	-	-	-	741,096
Forward exchange sales contracts	(2,470,265)	(32,977)	(13,212)	-	-	-	-	(2,516,454)
Net exposure	3,604,875	(8,179)	(7,695)	(74)	(1,184)	1,361,281	(399)	4,948,625

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Exposure to foreign currency At 31 December	Consolidated financial statements 2022						
	USD	EUR	JPY	GBP	SGD	VND	Total
	(in thousand Baht)						
Cash and cash equivalents	1,428,474	-	26,831	-	-	1,268,949	2,724,254
Trade accounts receivable	1,020,326	48,651	6,535	-	-	126,728	1,202,240
Other receivables	7,316	5,740	36,688	111	-	6,026	55,881
Trade accounts payable	(1,172,835)	(2,082)	(17,037)	(352)	-	(63,867)	(1,256,173)
Other payables	(397,777)	(14,915)	(97,439)	(132)	(18)	(88,793)	(599,074)
Other non-current payables	(14,813)	-	(59,119)	-	-	-	(73,932)
Net statement of financial position exposure	870,691	37,394	(103,541)	(373)	(18)	1,249,043	2,053,196
Sales forecast	464,272	-	-	-	-	-	464,272
Purchases of goods and fixed assets forecast	(416,802)	(29,715)	(75,978)	-	-	-	(522,495)
Net forecast transaction exposure	918,161	7,679	(179,519)	(373)	(18)	1,249,043	1,994,973
Forward exchange purchase contracts	839,534	41,463	130,402	-	-	-	1,011,399
Forward exchange sales contracts	(1,162,475)	(23,329)	(2,177)	-	-	-	(1,187,981)
Net exposure	595,220	25,813	(51,294)	(373)	(18)	1,249,043	1,818,391

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Exposure to foreign currency At 31 December	Separate financial statements 2023					
	USD	EUR	JPY	GBP	INR	Total
	(in thousand Baht)					
Cash and cash equivalents	3,907,141	-	10,094	-	-	3,917,235
Trade accounts receivable	1,140,848	39,446	9,110	-	-	1,189,404
Other receivables	13,813	70	68,547	-	-	82,430
Trade accounts payable	(324,239)	(8,839)	(25,909)	(21)	-	(359,008)
Other payables	(92,825)	(12,838)	(61,318)	(53)	(399)	(167,433)
Other non-current payables	(2,062)	-	(43,248)	-	-	(45,310)
Net statement of financial position exposure	4,642,676	17,839	(42,724)	(74)	(399)	4,617,318
Sales forecast	1,568,897	-	4,011	-	-	1,572,908
Purchases of goods and fixed assets forecast	-	(97,740)	(169,044)	-	-	(266,784)
Net forecast transaction exposure	6,211,573	(79,901)	(207,757)	(74)	(399)	5,923,442
Forward exchange purchase contracts	416,719	107,798	216,579	-	-	741,096
Forward exchange sales contracts	(2,470,265)	(32,977)	(13,212)	-	-	(2,516,454)
Net exposure	4,158,027	(5,080)	(4,390)	(74)	(399)	4,148,084

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Exposure to foreign currency At 31 December	Separate financial statements 2022					
	USD	EUR	JPY	GBP	SGD	Total
	(in thousand Baht)					
Cash and cash equivalents	1,119,531	-	26,831	-	-	1,146,362
Trade accounts receivable	523,101	-	-	-	-	523,101
Other receivables	7,316	5,740	36,688	111	-	49,855
Trade accounts payable	(612,726)	(2,082)	(17,037)	(352)	-	(632,197)
Other payables	(344,142)	(14,055)	(97,067)	(81)	(18)	(455,363)
Other non-current payables	(14,813)	-	(59,119)	-	-	(73,932)
Net statement of financial position exposure	678,267	(10,397)	(109,704)	(322)	(18)	557,826
Sales forecast	464,272	-	-	-	-	464,272
Purchases of goods and fixed assets forecast	(416,802)	(29,715)	(75,978)	-	-	(522,495)
Net forecast transaction exposure	725,737	(40,112)	(185,682)	(322)	(18)	499,603
Forward exchange purchase contracts	839,534	41,463	130,402	-	-	1,011,399
Forward exchange sales contracts	(636,704)	-	-	-	-	(636,704)
Net exposure	928,567	1,351	(55,280)	(322)	(18)	874,298

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

(b.4) Cash flow hedges

The amounts at the reporting date relating to items designed as hedged items were as follows.

At 31 December	Consolidated financial statements	Separate financial statements
	Cash flow hedge reserve (in thousand Baht)	
2023		
Foreign currency risk		
Sales of goods and trade receivables	111,021	111,021
Purchase of raw material, trade and other payables	283	283
2022		
Foreign currency risk		
Sales of goods and trade receivables	(1,541)	(1,519)
Purchase of raw material, trade and other payables	(1,961)	(1,669)

At 31 December 2023 and 2022, the Group held the following financial instruments to hedge exposures to changes in foreign currency.

At 31 December	Consolidated financial statements					
	2023 Maturity			2022 Maturity		
	1-6 months	6-12 months	More than one year	1-6 months	6-12 months	More than one year
Foreign currency risk						
<i>Forward exchange contracts</i>						
Net exposure (in million Baht)	3,386	7	-	2,162	64	-
<i>Average forward contracts rate</i>						
- THB:USD	35.74	-	-	34.99	-	-
- THB:EUR	38.04	38.08	-	36.86	36.72	-
- THB:JPY	0.24	-	-	0.26	0.26	-

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

At 31 December	Separate financial statements					
	2023 Maturity			2022 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)	3,386	7	-	1,606	64	-
Average forward contracts rate						
- THB:USD	35.74	-	-	35.11	-	-
- THB:EUR	38.04	38.08	-	36.71	36.72	-
- THB:JPY	0.24	-	-	0.26	0.26	-

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

At 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022

(in thousand Baht)

Forward exchange contracts				
- nominal amount	3,393,928	2,225,760	3,393,928	1,669,834
Carrying amount included in:				
- trade and other receivables	943,455	723,709	943,455	172,432
- trade and other payables	474,310	489,544	474,310	488,904
- sales and purchases forecast	1,306,123	(58,223)	1,306,123	(58,223)
Recognised in other comprehensive income				
- changes in value of the hedging instrument	597,103	1,012,851	581,469	962,958
- hedging reserve transferred to profit or loss	(491,908)	(995,108)	(470,253)	(957,404)
Recognised in profit or loss				
- reclassified from hedging reserve and included in				
revenue from sale of goods and cost of sales of goods	(491,908)	(995,108)	(470,253)	(957,404)

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.

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

Cash flow hedges	Consolidated financial statements	
	2023	2022
	Hedging Reserve (in thousand Baht)	
Balance at 1 January	6,264	(7,931)
Changes in fair value: Foreign currency risk	597,103	1,012,852
Amount reclassified to profit or loss: Foreign currency risk	(491,908)	(995,108)
Tax on movements on reserves during the year	(21,039)	(3,549)
Balance at 31 December	90,420	6,264

Cash flow hedges	Separate financial statements	
	2023	2022
	Hedging Reserve (in thousand Baht)	
Balance at 1 January / 1 July	1,447	(2,996)
Changes in fair value: Foreign currency risk	581,469	962,958
Amount reclassified to profit or loss: Foreign currency risk	(470,253)	(957,404)
Tax on movements on reserves during the period	(22,243)	(1,111)
Balance at 31 December	90,420	1,447

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

24 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 regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

25 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Capital commitments				
Buildings and other constructions	15,587	16,393,505	15,587	16,393,505
Machinery and equipment	301,101	1,295,450	294,989	1,282,591
Other intangible assets	4,870	309	4,870	309
Total	321,558	17,689,264	315,446	17,676,405
Other commitments				
Short-term lease commitments	4,752	7,055	4,752	7,055
Lease of low-value assets	21,648	27,937	21,648	27,937
Service contracts	102,237	83,354	102,237	83,354
Purchase orders for raw material, spare parts and finished goods	407,103	546,938	407,103	202,130
Bank guarantees	270,414	267,420	270,414	263,974
Other agreements	58,464	79,062	25,932	79,062
Total	864,618	1,011,766	832,086	663,512

AGC VINYTHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the financial statements for the year ended 31 December 2023

As at 31 December 2023, the Group had:

- (a) operating lease agreements with non-related parties covering vehicles and office equipment for periods ranging from 1 month to 2 years expiring on various dates during 2024 to 2026.
- (b) service contracts with non-related parties covering warehouse, vehicle and others for periods ranging from 1 year to 14 years expiring on various dates during 2024 to 2038.
- (c) bank guarantees issued by banks on behalf of the Company and its subsidiary for land rental, payment for pipeline placement, storage and electricity.
- (d) commitments to purchase raw materials, packaging and spare parts from external suppliers at agreed prices.

26 Contingent liabilities

On 14 September 2023, the Company received a letter from the Revenue Department informing the change in the Company's net loss for the accounting period from 1 January 2013 to 31 December 2013 from what the Company previously submitted of Baht 1,447.3 million to net loss of Baht 45.0 million. As a result, the Company needs to adjust its accumulated net loss by reducing the accumulated loss of Baht 1,402.3 million and, thus, it is eligible to carryover the accumulated loss of Baht 45.0 million to be used in the following accounting periods, while there is no tax shortfall, penalty and surcharge incurred for the accounting period from 1 January 2013 to 31 December 2013. On 12 October 2023, the Company has submitted an appeal to the Appeal Committee and has not yet reached the final conclusion. In this regards, the Company deems appropriate that at the moment the provision will not yet be recorded in the Consolidated and Separate Financial Statements for the year ended 31 December 2023.

27 Events after the reporting period

At the Board of Director's Meeting hold on 14 February 2024, the directors resolved to propose the dividend payment of Baht 0.74 per share. The dividend payments shall be approved by its shareholders at the annual general meeting of the shareholders.

ATTACHMENT

Attachment 1	Information of Directors, Management, Empowered Persons and Company Secretary: https://agcvinythai.com/wp-content/uploads/2024/03/Attachment-1-All-Directors-and-Management-2023.pdf
Attachment 2	Information of Director's Position in Subsidiary Company: https://agcvinythai.com/wp-content/uploads/2024/03/Attachment-2-Directors-in-Subsidiary-Company-2023.pdf
Attachment 3	Information of Head of Internal Audit and Corporate Governance Officer: https://agcvinythai.com/wp-content/uploads/2024/03/Attachment-3-IA-and-compliance-2023.pdf
Attachment 4	Assets Used in Business Operation: https://agcvinythai.com/wp-content/uploads/2024/03/Attachment-4-Assets-used-in-Business-Operation-2023.pdf
Attachment 5.1	Corporate Governance: https://agcvinythai.com/wp-content/uploads/2024/03/Attachment-5.1-Corporate-Governance-2023.pdf
Attachment 5.2	Business Code of Conduct: https://agcvinythai.com/wp-content/uploads/2024/03/Attachment-5.2-Business-Code-of-Conduct-2023.pdf



CERTIFICATION OF CORRECTNESS OF INFORMATION

■ CERTIFICATION OF CORRECTNESS OF INFORMATION

“The Company has carefully reviewed this Annual Disclosure of Information/Annual Report and hereby certified that the information contained therein is correct and complete, not fault, not misleading or lack of material statement which should have been informed. In addition, the Company certified that:

1. The summary of financial statements and financial information in this Annual Disclosure of Information/Annual Report contained accurately the financial status, performance and cash flows of the Company and Subsidiary Companies.
2. The Company formulated a good information disclosure system and ensured that the Company and Subsidiary Companies disclosed such material information correctly and completely and also complied with the disclosure rule.
3. The Company implemented in the good internal control system. The Company informed the evaluation of the internal control system, covering, if any, the significant changes including the irregularities which could affect the financial reporting of the Company and Subsidiary Companies to the Auditor and the Audit Committee on February 14, 2024.

As an evidence proving that all documents containing information certified by the Company and bound into a single set, we hereby appoint Mr. Woratthep Lertwinyu to initial his name on every page of the documents. If the initial of Mr. Woratthep Lertwinyu is not found on any page, it deems that the information contained in that page is not certified by the Company.”

Name	Position	Signature
1. Mr. Tomotaka Yoshikawa	Director	
2. Mrs. Jamjuree Sirovetnukul	Director	
The Attorney		
Mr. Woratthep Lertwinyu	Executive Vice President Corporate Planning Function	

ENVIRONMENTAL CONSERVATION AND MANAGEMENT



HEALTH AND SAFETY OF EMPLOYEES AND SURROUNDING COMMUNITIES



EDUCATIONAL SUPPORT FOR YOUTHS



ACTIVITIES SUPPORTING RELIGIONS, TRADITIONS, AND IMPORTANT NATIONAL DAYS



OCCUPATIONAL DEVELOPMENT AND COMMUNITY WELL-BEING





AGC VINYTHAI

AGC VINYTHAI PUBLIC COMPANY LIMITED

2, I-3 Road, Map Ta Phut Industrial Estate, Map Ta Phut Subdistrict,
Mueang Rayong District, Rayong 21150

Tel +66 38 925 000

Fax: +66 38 683 048