



SUSTAINABLE GROWTH  
THROUGH STATE OF THE ART INNOVATION

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**SUSTAINABLE GROWTH**  
**THROUGH STATE OF THE ART INNOVATION**

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The continuing success of IRPC Public Company Limited is a solid proof of our strength and dedication. IRPC never cease to drive towards achieving the operational excellence by improving and maximizing efficiency during times of constant transformations, as well as to thrive as a leader in an international arena.

To support our growth, IRPC is committed to constantly developing its business by enhancing the production processes and the standards of our products as to become recognized globally. The company is extensively exploring the opportunities of expanding its investment, increasing our production capacity, improving our resources to maximize benefits and keeping our eyes open for new prospects and innovations to stabilize the company's growth.

With great focus and dedication at the heart of our operation, the management and personnel of IRPC have collaborated to the best of their capability to ensure that we will achieve sustainable business growth and become "the Top Quartile Integrated Petrochemical Complex in Asia by 2014" per our vision statement.

## Petroleum product sales

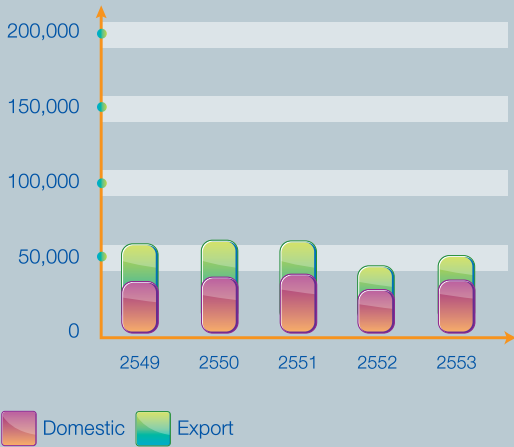
(Million baht)



Domestic Export

## Petrochemical product sales

(Million baht)



Domestic Export

## Becoming the strong leader in integrated petrochemical industry



IRPC is the pioneer and Southeast Asia's first integrated petrochemical business. With its oil refining total capacity of 215,000 barrels per day, IRPC is Thailand's 3rd largest oil refinery company considering its production capacity. Its production process is related to upstream to downstream petrochemical business while its business covers other infrastructure necessary to support its business operations, including deep sea ports, oil depot and power plants.

With our high assets potential, strong corporate strategies and its employees' commitment and dedication, IRPC is ready to become a leader in Asia's petrochemical industry by 2014.



IRPC is determined to devote itself in integrating economic, social and environmental factor in its development process. The enhancement in production potential must come with better environment for community.

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onWorld

# INNOVATION

- GREEN ABS
- PTFE CORE-SHELL
- METHYL METHACRYLATE-BUTADIENE-STYRENE
- ANTI-BACTERIA AGENT
- POWDER ABS
- ETC.





TDAE & RAE

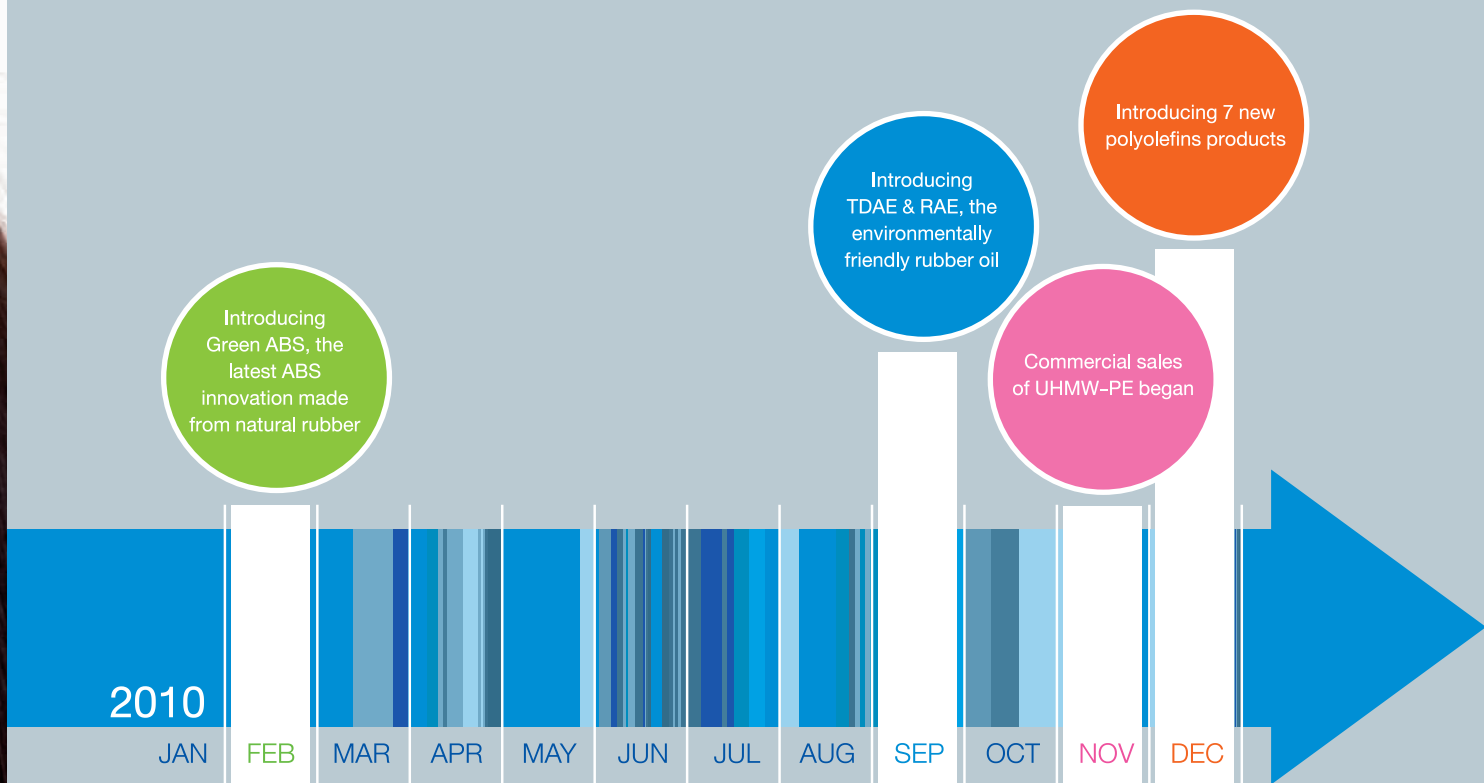
IMOAUT MEDIFIER

GREEN ABS

PTFE CORE-SHELL

ANTI-BACTERIA AGENT

POWDER ABS



## From imagination to creation The cutting-edge innovation of the future

IRPC has been working hard on research and development in order to create new products that are not only environmental friendly but also better address ever-changing consumers' needs. Our product innovations will become a crucial part in growing and nurturing our business growth and sustainability. These products are, for examples:

**Green ABS** – IRPC is the world's first manufacturer using natural rubber as substitute for synthetic rubber for ABS resin production. In addition to differentiate us from the market, the innovative product also enables IRPC to contribute and support more local agricultural produces.

### Polymer Nano Additives

**Anti-Dripping Additive** – PTFE Core-Shell act as anti-dripping additive

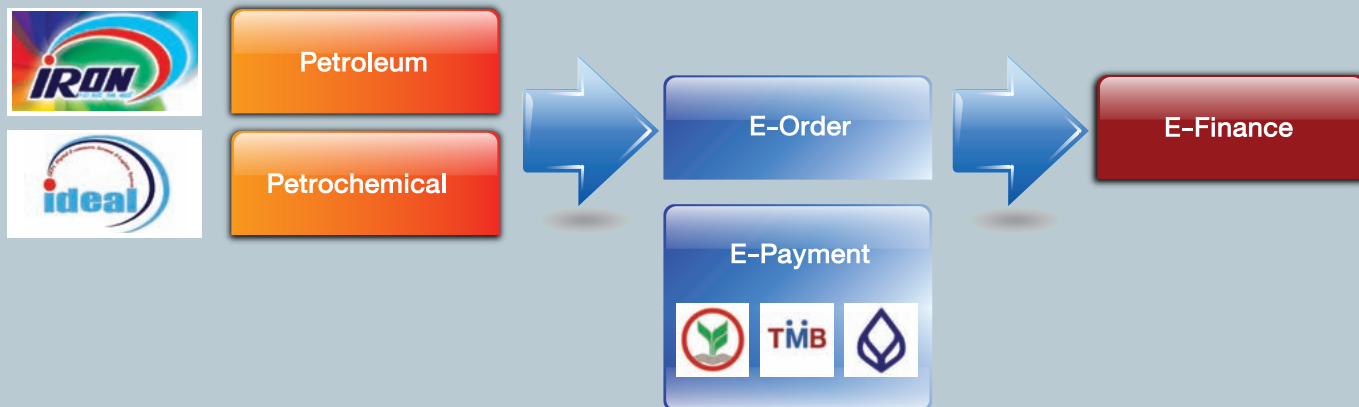
**Anti-Bacteria** – Protect and inhibit the growth of bacteria

### Ultra High Molecular Weight Polyethylene (UHMW-PE)

Polyethylene resin innovation that has been developed by features 10 times higher molecular density than general polyethelene.

It is therefore, durable and has higher resistance to friction and chemical erosion.

**TDAE and RAE** – Special grades aromatic extract that has lower carcinogenic substance. These environmentally friendly products which are safe for our respiratory system are used for producing of the tires.



Entering a new era with innovation,  
anywhere, anytime

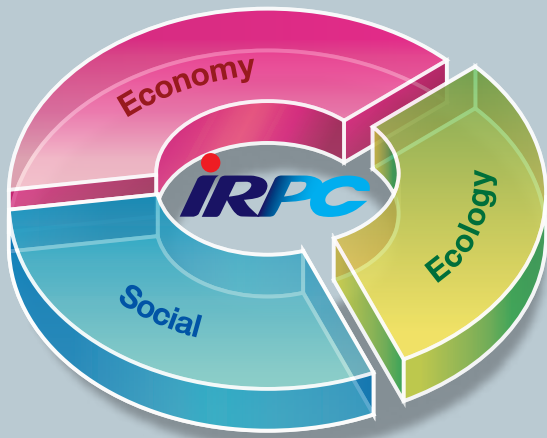


IRPC has developed innovative IT system to support its business and we are the first in the ASEAN region to adopt and introduce an IT management system for our entire petroleum business, called IRPC Oil on Net or IRON, and for our petrochemical business, called Integrated Digital E-Commerce Account and Logistics or IDEAL for short. With the IT innovations, customers can place order, plan delivery schedule and pay for the goods through the provided web application or PDA mobile equipment. Both IDEAL and IRON systems have seamlessly linked our system with commercial banks' online systems, enabling us to best address all our customers' needs without the time and place limitation.

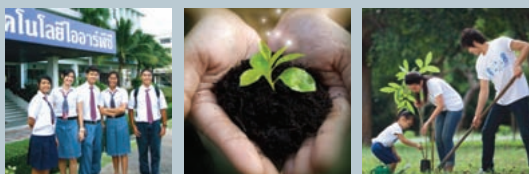




IDEAL SOLUTION  
IRPC OIL ON NET



We are growing sustainably  
With economy, social and ecology  
balance



With its commitment to growing economy, society and ecology in parallel, IRPC operates our business by adhering to its responsibility towards society, environment and communities. We have continued our environmental care, education development, religious, art and culture and public health and hygiene projects for the betterment of surrounding communities. Through sharing and exchange of knowledge as well as creating business value in cooperation with communities and society, we are growing together in sustainable manner. Based on our commitment to devoting itself to integrating economic, social and environmental development, IRPC is ready to move ahead hand-in-hand with communities and demonstrate how we “care, share and respect” them.

IRPC is strongly committed to operate our business with responsibility and care for possible impact from our operations. We strictly adhere to managing our business with transparency, good corporate governance and fairness while considering stakeholders’ benefits. At the same time, we are committed to creating a balance between business growth, operational efficiency, social and environmental care to achieve sustainable growth.





# HIGHLIGHT

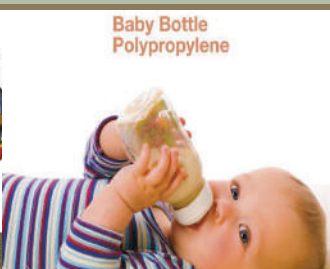
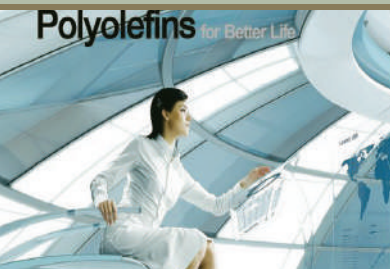
01

Successful development of styrenic products - GREEN ABS, and become the world's first manufacturer to replace synthetic rubber with natural rubber in producing ABS resins



03

Introduction of Treated Distillate Aromatic Extract (TDAE) and Residue Aromatic Extract (RAE), the new raw material for tyres which contain less carcinogenic substances



05

The Combined Heat and Power Plant (CHP) by using natural gas has already begun synchronization of power station generator and power system for officially one-unit out of the six-units in total

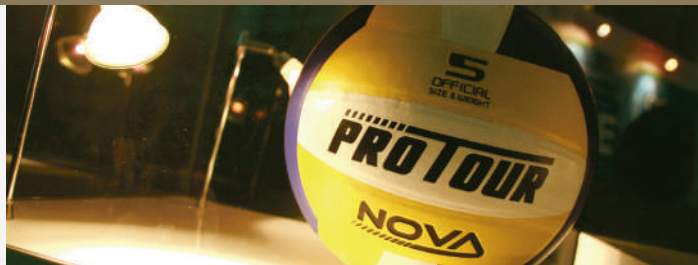


เธอ...คือลมหายใจ



02

Won the presidential energy conservation award in Thailand Energy Awards 2010 and Ecomagination Leader Award 2010



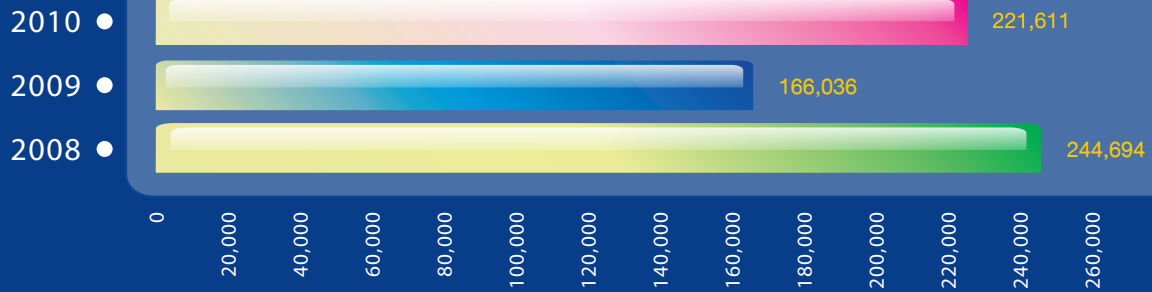
04

Launching of seven innovations in polyolefin products. Under the concept "Next Generation Polyolefin for Better Life" we constantly improve product quality by taking care of people's quality of life and environmental

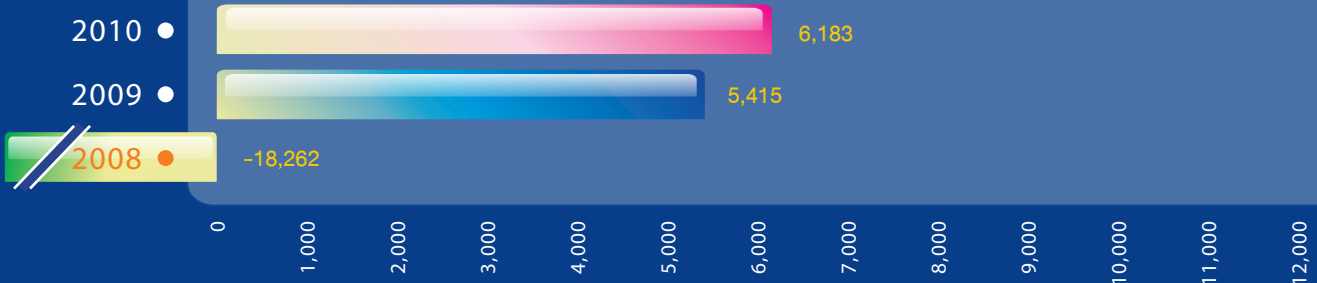


# FINANCIAL HIGHLIGHT

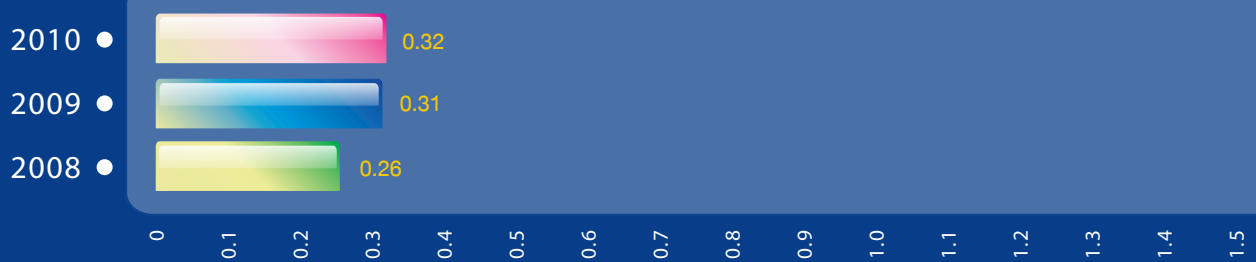
Sales  
unit : million baht



Net Profit  
unit : million baht



Net Debt to Equity  
unit : time



Dividend Yield  
unit : %



(unit : million baht)

Financial Highlight	2008	2009	2010
<b>Financial Position</b>			
Current Assets	37,919	48,155	49,307
Total Assets	104,112	114,194	120,458
Current Liabilities	16,370	19,712	18,105
Total Liabilities	34,918	42,294	44,879
Shareholder's Equity	69,195	71,901	75,579
Registered Capital	20,475	20,475	20,475
Paid-up Capital	19,706	19,829	20,170
<b>Operating Performance</b>			
Sales	244,694	166,036	221,611
Cost of Goods Sold	257,766	156,021	212,266
EBITDA	-13,234	9,728	8,322
Net Profit (Loss)	-18,262	5,415	6,183
<b>Financial Ratio</b>			
Net Profit Margin	-7.43%	3.26%	2.77%
Return on Assets	N.A.	4.96%	5.27%
Return on Equity	N.A.	7.68%	8.38%
Dividend Yield <sup>(2)</sup>	4.21%	5.56%	4.06%
Dividend per share (baht)	0.18	0.18	<sup>(1)</sup> 0.18
Net Debt to Equity <sup>(3)</sup> (time)	0.26	0.31	0.32
Book Value per share (baht)	3.51	3.63	3.75
Earning per share (baht)	-0.93	0.27	0.31

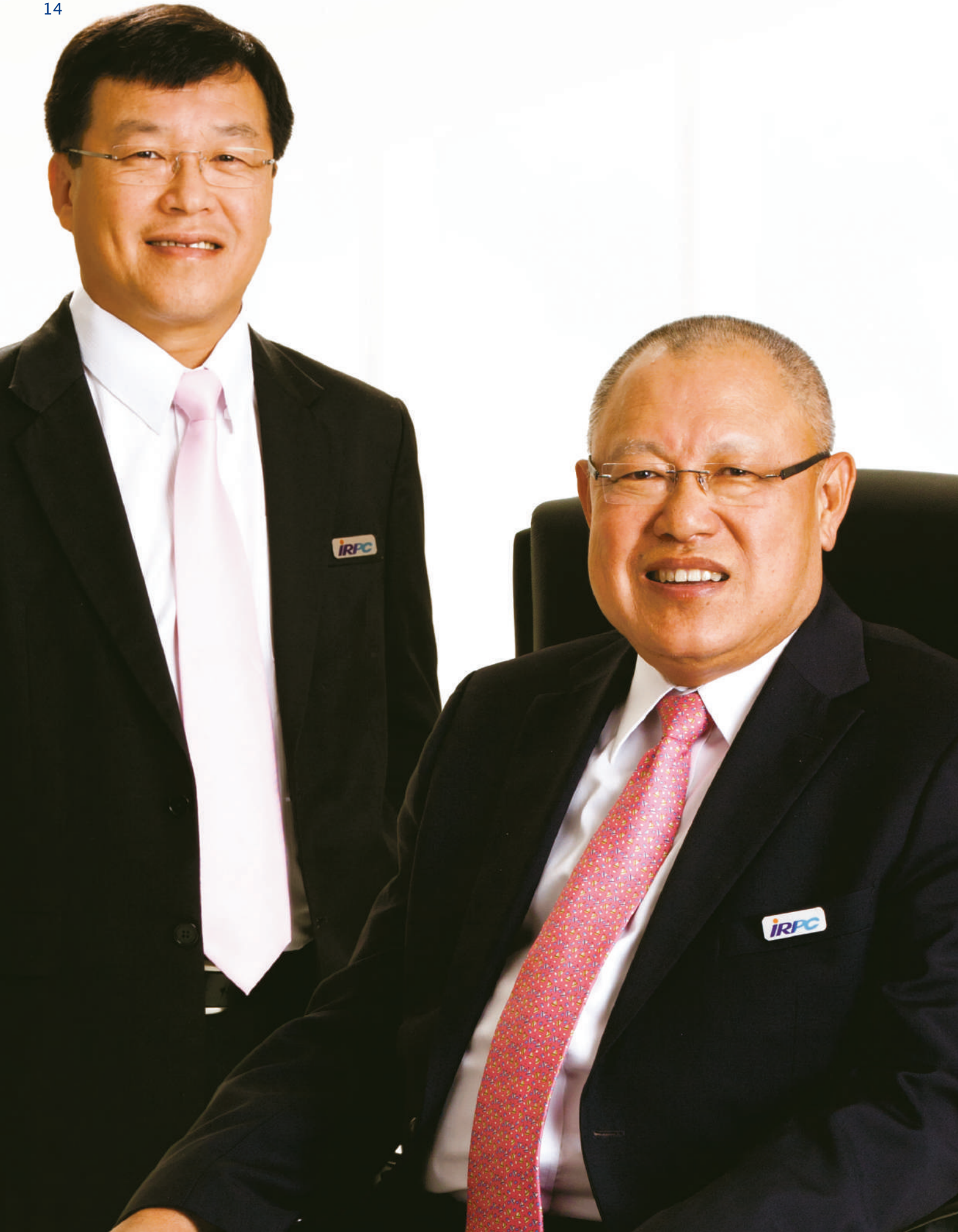
## Notes :

(1) Included interim dividend payment for 2010 half year results at 0.08 baht per share, which was paid on 17 September 2010.

The remaining 0.10 baht per share will be proposed to the 2011 Annual General Meeting of Shareholders for approval

(2) Calculated from the average price

(3) Net Debt means interest bearing debt less cash and cash equivalents, short-term investments







## Message from the Board of Directors

The global economy has shown a significant recovery as a result of the various economic stimulus plans adopted by governments around the world throughout 2010. Because of this, IRPC Public Company Limited remains committed to expanding its business in line with its socially responsible initiatives. IRPC's business plans and strategies have been developed to sustain a positive business momentum in changing circumstances, focusing on areas such as production-efficiency improvements, as well as environmentally-friendly product research and development. Additionally, to streamline work processes and reduce operating costs, we have deployed state-of-the-art technologies. Consequently, IRPC's efficient operating strategy and outstanding operating results have secured it a leading position in its sector, bringing its vision of being "the top quartile integrated petrochemical complex in Asia by 2014" one step closer.

### Dedicate Resources to be the Innovation Leader

Determined to be one of the leading players in the petrochemical sector, IRPC continues to invest in resource management, as well as capacity and product extension for innovation, and so has achieved the most effective economic resource management, the highest commercial value and the strongest competitiveness, as seen in IRPC's Propylene Booster Project, ABS Production Expansion, and Green product research. In 2010, IRPC was successful in the research and development of a variety of products. This included GREEN ABS, which is produced by replacing synthetic rubber with natural rubber, making IRPC the world's first commercially-capable producer of such innovative products. Other breakthroughs included lube base TDAE and RAE which are labeled as non-carcinogenic substances. Going forward, these innovative products will be a substantial element in driving IRPC's sustainable business growth through their added value, and at the same time benefit the environment as well as Thailand's economy through reduced reliance on imported raw materials. In this regard, IRPC has leaped forward, both in becoming a leader in the research and development of environmentally-friendly and innovative products, and also in being able effectively to respond to market demands and the needs of modern society.





“...Success, to us, is not merely about commercial gain; it is also about what we can give back. IRPC has long been involved with several socially responsible projects aimed at improving and developing the environment, education, religion, art and culture, and public health...”

### **Develop Human Capital to Organization Excellence**

A key ingredient in IRPC’s operational excellence and business growth is its recognition of the importance of human resources development. IRPC has revisited and revised its human resources development policy to ensure that its personnel are fully supported in their work and career advancement and are helped to achieve their full potential. It is our belief that it is important to inculcate in all our personnel a spirit of public service; this is achieved through participation in several socially responsible activities and this is, we believe, an integral part of the success of our business.

### **Care, Share and Responsible to Social and Community**

Growing our business and at the same time taking care of the environment, local communities and society at large have always been part of our corporate culture. Success, to us, is not merely about commercial gain; it is also about what we can give back. IRPC has long been involved with several socially responsible projects aimed at improving and developing the environment, education, religion, art and culture, and public health. These projects include the Rayong River Conservation Project, Combined Heat and Power Project, KlongKonPuek Natural Mangrove Forest Observation Center Project, Community Center Project, the Student Scholarship Project, and the Archaeological Site Restoration Project. Involvement in these projects reflects our determination to conserve the environment and to promote the welfare of society and the communities in which we operate.



The Board of Directors truly recognizes that collaboration and participation by management and staff at all levels in IRPC's initiatives has significantly contributed to our achievements. Our personnel have put the best of their efforts and energy into making IRPC of today better than it was yesterday. On behalf of the Board of Directors, we would like to express our appreciation to all stakeholders, who have consistently collaborated with and supported IRPC's projects and initiatives. IRPC will continue to be committed to our vision, our mission and to good corporate governance, for the benefit of all, to achieve sustainable business growth, and to drive a better future for our society.



(Norkun Sitthiphong)  
Chairman

IRPC Public Company Limited

(Pailin Chuchottaworn)  
President

IRPC Public Company Limited

## Boards of Directors



01 Mr.Norkun Sittiphong  
Chairman  
Chairman of the Executive  
Committee

02 Mr.Prasert Bunsumpun  
Vice Chairman No.1  
Chairman of Nomination and  
Remuneration Committee

03 Mr.Aree Wongsearay  
Vice Chairman No.2  
Independent Director



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04 Mr.Chitrapongse Kwangsukstith  
Director  
Nomination and Remuneration  
Director

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05 Mr.Woothisarn Tanchai  
Independent Director  
Executive Director  
Nomination and Remuneration  
Director

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06 Mr.Pichai Chunchavajira  
Director

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07 Mr.Virabongsa Ramangkura  
Independent Director

## Boards of Directors



12

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08

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11

08 Mr.Prajya Phinyawat  
Executive Director  
Corporate Governance Director

09 Mrs.Jantima Sirisaengtaksin  
Independent Director  
Chairman of Corporate Governance  
Committee

10 Mr.Sommai Khowkachaporn  
Executive Director  
Corporate Governance Director

11 Mr.Lersuk Chuladesa  
Director

12 Miss Sopawadee Lertmanaschai  
Director



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13 Mr.Cherdpong Siriwit  
Independent Director  
Chairman of Audit Committee

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14 M.R.Pongsvas Svasti  
Independent Director  
Audit Committee Director

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15 Mrs.Puntip Surathin  
Independent Director  
Audit Committee Director

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16 Mr.Chulayuth Hirunyavasit  
Independent Director

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17 Mr.Pailin Chuchottaworn  
Executive Director  
President

## Boards of Directors

### 1. Mr.Norkun Sittiphong

Chairman / Chairman of the Executive Committee

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• B.Eng. (Mechanical Engineering), Chulalongkorn University</li> <li>• M.Sc. (Mechanical Engineering), Oregon State University, USA</li> <li>• Ph.D. (Mechanical Engineering), Oregon State University, USA</li> <li>• Diploma, The Joint State-Private Sector Course National Defence College, Class 47</li> <li>• Capital Market Academy Leadership Program Capital market Academy (CMA), Class 4</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Role of the Chairman Program (RCP), Class 21/2009 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <p>Present</p> <ul style="list-style-type: none"> <li>• Chairman / Chairman of the Executive Committee IRPC Public Company Limited</li> <li>• Chairman PTT Aromatics and Refining Public Company Limited</li> <li>• Permanent Secretary Ministry of Energy</li> </ul> <p>Jan.2008 - Dec.2010</p> <ul style="list-style-type: none"> <li>• Chairman PTT Public Company Limited</li> </ul> <p>2003 - 2010</p> <ul style="list-style-type: none"> <li>• Deputy Permanent Secretary Ministry of Energy</li> </ul>
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### 2. Mr.Prasert Bunsumpun

Vice Chairman No.1 / Chairman of Nomination and Remuneration Committee

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Engineering (Civil), Chulalongkorn University</li> <li>• Master of Business Administration (MBA), Utah State University, USA</li> <li>• Honorary Doctor of Engineering, Chulalongkorn University</li> <li>• Honorary Doctor of Management National Institute of Development Administration (NIDA)</li> <li>• Honorary Doctor of Management Science, Petchaburi Rajabhat University</li> <li>• Diploma, The Joint State-Private Sector Course National Defence College, Class 10</li> <li>• Certificate in Advanced Management Program, Harvard Business School, USA</li> <li>• Politics and Governance in Development Systems or Executive Course, King Prajadhipoks Institutes, Class 6</li> <li>• Capital Market Academy Leadership Program Capital Market Academy (CMA), Class 3/2006</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP), Class 26/2004 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <p>Apr.2006 - Present</p> <ul style="list-style-type: none"> <li>• Vice Chairman No.1, Chairman of Nomination and Remuneration Committee IRPC Public Company Limited</li> </ul> <p>Apr.2009 - Present</p> <ul style="list-style-type: none"> <li>• Director, Thai ABS Company Limited</li> <li>• Director, IRPC Polyol Company Limited</li> <li>• Director, IRPC Oil Company Limited</li> </ul> <p>2003 - Present</p> <ul style="list-style-type: none"> <li>• President and Chief Executive Officer PTT Public Company Limited</li> </ul> <p>Present</p> <ul style="list-style-type: none"> <li>• Chairman PTT Exploration and Production Public Company Limited</li> <li>• Director, Thai Oil Public Company Limited</li> <li>• Chairman PTT Chemical Public Company Limited</li> <li>• Director, PTT Aromatics and Refining Public Company Limited</li> </ul>
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### 3. Mr.Aree Wongsearay

Vice Chairman No.2 / Independent Director

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Political Science (Local Administration) Chulalongkorn University</li> <li>• Master of Science (Community Development) University of Philippines.</li> <li>• Master of Science (Public Administration) University of Missouri, USA</li> <li>• Diploma, The Joint State-Private Sector Course National Defence College, Class 27</li> </ul> <p><b>Experience</b></p> <p>Present</p> <ul style="list-style-type: none"> <li>• Vice Chairman No.2 / Independent Director IRPC Public Company Limited</li> </ul> <p>Apr.2006 - Oct.2006</p> <ul style="list-style-type: none"> <li>• Director, Thai Petrochemical Industry Public Company Limited</li> </ul> <p>Oct.2006 - Oct.2007</p> <ul style="list-style-type: none"> <li>• Minister, Ministry of Interior</li> </ul> <p>Jun.2005 - Apr.2006</p> <ul style="list-style-type: none"> <li>• Advisor to the Plan Administrators Thai Petrochemical Industry Public Company Limited</li> <li>• Advisory, Political and Governmental</li> <li>• Advisory, Ministry of Public Health</li> <li>• Advisory Minister of Agriculture and Cooperatives</li> <li>• President Srinakarin Botanical Garden Foundation</li> </ul>	<p>Jun.2005 - Apr.2006</p> <ul style="list-style-type: none"> <li>• Vice President, The Foundation for the Crown Prince Hospital</li> <li>• Committee, The Princess Mother's Medical Volunteer Foundation</li> <li>• Chairman, Pharanakhon Si Ayudhaya Rajabhat University Council</li> <li>• First Vice President, Sukhothai Thammathirat open University Council</li> <li>• First Vice Chairman Yala Islamic College Council</li> <li>• Senior advisory and Distinguished Member Voluntary Doctors Foundation Board (Under The Patronage of The King's Mother)</li> <li>• Third Vice Chairman The Independent Commission on Justice and Civil Liberties for the Southern Boarder Provinces (ICJC)</li> <li>• Member Council of State of Thailand (Krisdika)</li> <li>• President, Trang Sure Company Limited</li> <li>• Vice President Bata (Thailand) Company Limited</li> </ul>
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### 4. Mr.Chitrapongse Kwangsukstith

Director / Nomination and Remuneration Director

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Mechanical Engineering, Chulalongkorn University</li> <li>• M.Eng.(Industrial Engineering) Lamar University, Texas, USA</li> <li>• Dr.Eng.(Industrial Engineering) Lamar University, Texas, USA</li> <li>• Stanford Executive Program, Stanford University, USA</li> <li>• Diploma, The Joint State-Private Sector Course National Defence College, Class 12</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 42/2004</li> <li>• Finance for Non-Finance Directors (FND), Class 9/2004 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <p>Present</p> <ul style="list-style-type: none"> <li>• Director / Nomination and Remuneration Director, IRPC Public Company Limited</li> </ul> <p>2009 - Present</p> <ul style="list-style-type: none"> <li>• Chairman PTT International Company Limited</li> <li>• Chief Advisor to the Board Bangkok Industrial Gas Company Limited</li> </ul> <p>Mar.2008 - Present</p> <ul style="list-style-type: none"> <li>• Director, PTT Exploration and Production Public Company Limited</li> </ul> <p>2004 - Present</p> <ul style="list-style-type: none"> <li>• Chairman, PTT Utility Company Limited</li> </ul>
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## Boards of Directors

2004 - Present	<ul style="list-style-type: none"> <li>• Director, Independent Power (Thailand) Company Limited</li> </ul>	2006 - 2009	<ul style="list-style-type: none"> <li>• Director, HMC Polymers Company Limited</li> </ul>
2003 - Present	<ul style="list-style-type: none"> <li>• President, Thailand Association for Natural Gas Vehicles</li> </ul>	2005 - 2009	<ul style="list-style-type: none"> <li>• Director PTT Polymer Marketing Company Limited</li> </ul>
2008 - 2009	<ul style="list-style-type: none"> <li>• Director, PTT Aromatics and Refining Public Company Limited</li> </ul>	2004 - Sep.2010	<ul style="list-style-type: none"> <li>• Chairman, PTT LNG Company Limited</li> </ul>
2008 - Sep.2010	<ul style="list-style-type: none"> <li>• Chairman Energy Complex Company Limited</li> </ul>	2004 - 2009	<ul style="list-style-type: none"> <li>• Chairman Trans Thai-Malaysia (Thailand) Limited</li> <li>• Director Ratchaburi Power Company Limited</li> </ul>
2007 - Sep.2010	<ul style="list-style-type: none"> <li>• Chairman, PTT Natural Gas Distribution Company Limited</li> </ul>	2003 - 2009	<ul style="list-style-type: none"> <li>• Chief Operations Officer, Upstream Petroleum and Gas Business Group PTT Public Company Limited</li> </ul>

### 5. Mr.Woothisarn Tanchai

Independent Director / Executive Director / Nomination and Remuneration Director

#### Education

- Bachelor of Science, Khon Kaen University
- Master of Public Administration  
National Institute of Development Administration (NIDA)
- Master of Policy Science (M.P.S.) International Programme  
Saitame University, Japan
- Public Law Certificate from Faculty of Law, Thammasat University
- The Law Certificate from Faculty of Law, Thammasat University

#### Experience

- |         |   |
|---------|---|
| Present | <ul style="list-style-type: none"> <li>• Independent Director / Executive Director / Nomination and Remuneration Director<br/>IRPC Public Company Limited</li> <li>• Deputy Secretary<br/>General of King Prajadhipok's Institute</li> <li>• Associate Professor at the Faculty of Social Administration, Thammasat University</li> </ul> |
| Other   | <ul style="list-style-type: none"> <li>• Member, Education Council</li> <li>• Member, Nakhon Ratchasima Rajabhat University Council</li> <li>• Advisor, Labour and Social Welfare</li> <li>• Advisor, National Decentralization Committee</li> </ul>  |

### 6. Mr.Pichai Chunhavajira

Director

#### Education

- Bachelor of Accounting, Thammasat University
- M.Sc.in Business Administration,  
Indiana University of Pennsylvania, USA
- Honorary Degree Doctor of Philosophy (Accounting)  
Thammasat University
- Doctor of Philosophy (Honorable Financial Management)  
Mahasarakham University

- Diploma, The Joint State-Private Sector Course  
National Defence College, Class 13
- Capital Market Academy Leadership Program  
Capital Market Academy (CMA), Class 5

#### Director Training

- Director Accreditation Program (DAP), Class 49/2006
- Director Certification Program (DCP), Class 110/2008  
Thai Institute of Directors (IOD)

**Experience**

Present	<ul style="list-style-type: none"> <li>• Director, IRPC Public Company Limited</li> </ul>	2000 - Present	<ul style="list-style-type: none"> <li>• Director, Thaipower Company Limited</li> </ul>
2010 - Present	<ul style="list-style-type: none"> <li>• Chairman, Thaipower Public Company Limited</li> <li>• Chairman, Thaipower Ethanol Company Limited</li> </ul>	1998 - Present	<ul style="list-style-type: none"> <li>• Director, Bangkok Petroleum Public Company Limited</li> </ul>
Jun.2009 - Present	<ul style="list-style-type: none"> <li>• Director, PTT Public Company Limited</li> </ul>	2007 - Jun.2009	<ul style="list-style-type: none"> <li>• Director, PTT Aromatics and Refining Public Company Limited</li> </ul>
Oct.2008 - Present	<ul style="list-style-type: none"> <li>• Director, Thaipower Ethanol Company Limited</li> </ul>	2005 - 2009	<ul style="list-style-type: none"> <li>• Director</li> <li>• PTT Chemical Public Company Limited</li> </ul>
2008 - Present	<ul style="list-style-type: none"> <li>• University Council Member</li> <li>• Assumption University</li> </ul>	2004 - 2006	<ul style="list-style-type: none"> <li>• Director</li> <li>• Electricity Generating Authority of Thailand</li> </ul>
2005 - Present	<ul style="list-style-type: none"> <li>• Director, Thai Oil Public Company Limited</li> <li>• Director, Thai Airways International Public Company Limited</li> <li>• Vice President and Chairman of the Managerial Accounting Federation of Accounting Professions</li> </ul>	2003 - 2008	<ul style="list-style-type: none"> <li>• Director, Metropolitan Electricity Authority</li> </ul>
2004 - Present	<ul style="list-style-type: none"> <li>• Director</li> <li>• Thai Lube Base Public Company Limited</li> </ul>	2003 - 2009	<ul style="list-style-type: none"> <li>• Director, Siam Commercial Bank</li> <li>• Chairman, Investment Administration Sub-Committee Social Security Fund</li> </ul>
2001 - Present	<ul style="list-style-type: none"> <li>• Director, PTT Exploration and Production Public Company Limited</li> </ul>	2001 - 2009	<ul style="list-style-type: none"> <li>• Chief Financial Officer</li> <li>• PTT Public Company Limited</li> </ul>
		2000 - Jul.2009	<ul style="list-style-type: none"> <li>• Director</li> <li>• Thai Petroleum Pipeline Company Limited</li> </ul>
		1996 - May2009	<ul style="list-style-type: none"> <li>• Director, Dhipaya Insurance Public Company Limited</li> </ul>

**7. Mr.Virabongsa Ramangkura**

Independent Director

**Education**

- B.A. First Class Honors in Political Science, Chulalongkorn University
- M.A. in Economics, University of Pennsylvania, USA
- Ph.D. in Economics, University of Pennsylvania, USA
- Doctor of Law (Honorary), Webster University, USA

**Director Training**

- Director Certification Program (DCP), Class 43/2004 Thai Institute of Directors (IOD)

**Experience**

- |                    |   |
|--------------------|---|
| Apr.2006 - Present | <ul style="list-style-type: none"> <li>• Independent Director</li> <li>• IRPC Public Company Limited</li> </ul>                       |
| Aug.2005 - Present | <ul style="list-style-type: none"> <li>• Chairman</li> <li>• Finansa Public Company Limited</li> </ul>                                |
| Jun.2004 - Present | <ul style="list-style-type: none"> <li>• Chairman</li> <li>• Thai-Lao Association for Friendship</li> </ul>                           |
| 1995 - Present     | <ul style="list-style-type: none"> <li>• Chairman of The Executive Board</li> <li>• Double A (1991) Public Company Limited</li> </ul> |
| May1994 - Present  | <ul style="list-style-type: none"> <li>• Chairman, Bangkok Expressway Public Company Limited</li> </ul>                               |

**8. Mr.Prajya Phinyawat**

Executive Director / Corporate Governance Director

**Education**

- B.E. (Civil Engineering), Chulalongkorn University
- M.S. (Civil Engineering), Stanford University, USA
- Ph.D. (Civil Engineering), University of Texas At Austin, USA

**Director Training**

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

## Boards of Directors

### Experience

2006 - Present	<ul style="list-style-type: none"> <li>Executive Director / Corporate Governance Director IRPC Public Company Limited</li> </ul>	2004 - Present	<ul style="list-style-type: none"> <li>Board of Director Thai Oil Public Company Limited</li> </ul>
2008 - Present	<ul style="list-style-type: none"> <li>Chief Operating Officer Downstream Petroleum Business Group and Senior Executive Vice President, Oil Business Unit PTT Public Company Limited</li> </ul>	2005 - 2007	<ul style="list-style-type: none"> <li>Board of Director, The Aromatics (Thailand) Public Company Limited</li> </ul>
2007 - Present	<ul style="list-style-type: none"> <li>Board of Director, PTT Aromatics and Refining Public Company Limited</li> </ul>	2004 - 2007	<ul style="list-style-type: none"> <li>Senior Executive Vice President Petrochemicals and Refining Business Group, PTT Public Company Limited</li> <li>Board of Director Rayong Refinery Public Company Limited</li> </ul>
2006 - Present	<ul style="list-style-type: none"> <li>Chairman of the Board of Director HMC Polymers Company Limited</li> </ul>	2004 - 2009	<ul style="list-style-type: none"> <li>Chairman of the Board of Director Alliance Refining Company Limited</li> </ul>
2005 - Present	<ul style="list-style-type: none"> <li>Board of Director PTT Chemical Public Company Limited</li> </ul>	2001 - 2008	<ul style="list-style-type: none"> <li>Board of Director Star Petroleum Refining Company Limited</li> </ul>

## 9. Mrs.Jantima Sirisaengtaksin

Independent Director / Chairman of Corporate Governance Committee

### Education

- Bachelor of Accountancy, Chulalongkorn University
- Bachelor of Law, Ramkhamhaeng University
- Master of Accountancy, Chulalongkorn University
- The Management Development Programs Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Advanced Management Program, Harvard Business School, USA
- Senior Executive Training Course 1, Class 29 / Chief information officer Course, Class 19 The Civil Service Training Institution The office of The Civil Service Commission
- Diploma, The Joint State-Private Sector Course National Defence College, Class 43
- Leading High-Impact Team, Kellogg School of Management, USA
- Advance Management Program, INSEAD, Fontainebleau, France
- King Prajadhipok's Institute, Course "Governance for Directors and Senior Executives of State Enterprises and Public Organizations", Class 2
- Capital Market Academy Leadership Program Capital Market Academy (CMA), Class 8

### Director Training

- Director Certification Program (DCP), Class 22/2002 Thai Institute of Directors (IOD)

### Experience

- Jun.2007 - Present
  - Independent Director / Chairman of Corporate Governance Committee IRPC Public Company Limited
- Jun.2009 - Present
  - Vice President International Academy of CIO (IAC)
- Dec.2008 - Present
  - Director Thailand Privilege Card Company Limited
- Nov.2008 - Nov.2010
  - Chairman, Thailand Tobacco Monopoly
- Aug.2008 - Sep.2010
  - Principle Advisor, Information and Communication Technology
- Apr.2008 - Aug.2008
  - Policy and Plan Analyst Revenue Department
- Oct.2007 - Apr.2008
  - Deputy Permanent Secretary Ministry of Finance
- Sep.2005 - Nov.2008
  - Director, Thailand Tobacco Monopoly
- Jun.2004 - Sep.2007
  - Principle Advisor, Information and Communication Technology
- Nov.2003 - Jun.2008
  - Independence Director Siam City Securities Company Limited

## 10. Mr.Somma Khowkachaporn

Executive Director / Corporate Governance Director

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>Bachelor of Business Administration, University of The East, Philippines.</li> <li>Master of Business Administration, Long Island University, New York, USA</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>Audit Committee Program (ACP), Class 4/2005</li> <li>Director Certification Program (DCP), Class 27/2003</li> <li>Finance for Non-Finance Directors (FND), Class 5/2003 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <ul style="list-style-type: none"> <li>Present           <ul style="list-style-type: none"> <li>Executive Director / Corporate Governance Director IRPC Public Company Limited</li> </ul> </li> <li>2008 - Present           <ul style="list-style-type: none"> <li>Director, PTT Exploration and Production Public Company Limited</li> </ul> </li> <li>2004 - Present           <ul style="list-style-type: none"> <li>Director Thai Lube Base Public Company Limited</li> <li>Director, Wangthong Group Public Company Limited</li> </ul> </li> <li>2008           <ul style="list-style-type: none"> <li>Director, PTT Aromatics and Refining Public Company Limited</li> </ul> </li> <li>1996 - 2008           <ul style="list-style-type: none"> <li>Vice Director, National Science Museum</li> </ul> </li> </ul>
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## 11. Mr.Lersuk Chuladesa

Director

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>Bachelor of Commerce, Faculty of Commerce and Accountancy Chulalongkorn University</li> <li>M.P.A. Project Management and Policy National Institute of Development Administration (NIDA)</li> <li>Diploma, The Joint State-Private Sector Course National Defence College, Class 17</li> <li>Mini MBA II, Thammasat University</li> <li>Management Development Program for Middle Managers Standard Chartered, Singapore</li> <li>Financial Executive Development Program FINEX 4 The Thai Institute of Banking and Finance Association</li> <li>Capital Market Academy Leadership Program Capital Market Academy (CMA), Class 9</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>Director Accreditation Program (DAP), Class 63/2007 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <ul style="list-style-type: none"> <li>Present           <ul style="list-style-type: none"> <li>Director, IRPC Public Company Limited</li> <li>President and CEO The Government Savings Bank</li> </ul> </li> <li>Apr.2009 - Present           <ul style="list-style-type: none"> <li>Director, MFC Asset Management Public Company Limited</li> </ul> </li> <li>Oct.2008 - Present           <ul style="list-style-type: none"> <li>Advisor to the Board of Directors Advance Agro Public Company Limited</li> </ul> </li> <li>Jul.2008 - Present           <ul style="list-style-type: none"> <li>Advisor to the Board of Directors Siam City Insurance Company Limited</li> </ul> </li> <li>2008           <ul style="list-style-type: none"> <li>Chief Corporate Officer Siam City Bank Public Company Limited</li> </ul> </li> <li>2007 - 2008           <ul style="list-style-type: none"> <li>Chief Corporated Client and Operations Officer Siam City Bank Public Company Limited</li> </ul> </li> <li>Feb.2006 - Oct.2008           <ul style="list-style-type: none"> <li>Director and Executive Committee Advance Agro Public Company Limited</li> </ul> </li> <li>2005 - 2007           <ul style="list-style-type: none"> <li>First Senior Executive Vice President Siam City Bank Public Company Limited</li> </ul> </li> <li>Jan.2002 - Jul.2008           <ul style="list-style-type: none"> <li>Director and Chairman of the Executive Committee Siam City Insurance Company Limited</li> </ul> </li> </ul>
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## Boards of Directors

### 12. Miss Sopawadee Lertmanaschai

Director

#### Education

- Bachelor Degree of Commerce and Accountancy, Thammasat University
- Bachelor Degree of Law, Thammasat University
- Master Degree of Commerce and Accountancy, Thammasat University
- The Wharton Advanced Management Program, University of Pennsylvania, USA

#### Director Training

- Monitoring the Internal Audit Function (MIA), Class 8/2009
- Successful Formulation and Execution of Strategy (SFE), Class 6/2009
- Director Certification Program (DCP), Class 2/2000
- Audit Committee Program (ACP), Class 27/2009 Thai Institute of Directors (IOD)

#### Experience

Present

- Director, IRPC Public Company Limited
- Director Royal Porcelain Public Company Limited
- Director, Dhipaya Insurance Public Company Limited
- Director, Nokair Company Limited
- Secretary General Federation of Accounting Professions under The Royal Patronage of His Majesty the King
- Vice Chairperson Thai Financial Planners Association
- Executive Director (MBA Program) Thammasat University
- Director, Pridi Institute
- Secretary, Sangvian Foundation
- Vice President, Thammasat University Alumni Association
- Treasurer, Thammasat Association

### 13. Mr.Cherdpong Siriwit

Independent Director / Chairman of Audit Committee

#### Education

- B.A. Economics, (Honor), Thammasat University
- M.A. Economics, Georgetown University, USA
- Diploma, The Joint State-Private Sector Course National Defence College, Class 40
- Politics and Governance in Democratic System for Executives Class of 5, King Prajadhipok's Institute
- The Civil Service Executive Development Program I, Class 13 The Civil Service Training Institute
- Capital Market Academy Leadership Program Capital Market Academy (CMA), Class 5

#### Director Training

- Audit Committee Program (ACP), Class 27/2009
- Director Certification Program (DCP), Class 104/2008
- Finance for Non-Finance Directors (FND), Class 13/2004
- Role of the Chairman Program (RCP), Class 10/2004
- Director Accreditation Program (DAP), Class 8/2004 Thai Institute of Directors (IOD)

**Experience**

Present	<ul style="list-style-type: none"> <li>Independent Director / Chairman of Audit Committee IRPC Public Company Limited</li> </ul>	2005 - 2008	<ul style="list-style-type: none"> <li>Chairman, PTT Exploration and Production Public Company Limited</li> </ul>
2010 - Present	<ul style="list-style-type: none"> <li>Chairman Solartron Public Company Limited</li> </ul>	2005 - 2007	<ul style="list-style-type: none"> <li>Chairman Rayong Refinery Public Company Limited</li> </ul>
2009 - Present	<ul style="list-style-type: none"> <li>Director / Audit Committee Advance Finance Public Company Limited</li> <li>Director Ever Green Plus Company Limited</li> </ul>	2004 - 2008	<ul style="list-style-type: none"> <li>Chairman Thai Oil Public Company Limited</li> </ul>
2002 - Present	<ul style="list-style-type: none"> <li>Director, Thaioil Power Company Limited</li> </ul>	2003 - 2007	<ul style="list-style-type: none"> <li>Chairman, Ratchaburi Electricity Generating Holding Public Company Limited</li> <li>Chairman, PTT Public Company Limited</li> </ul>
2006 - 2009	<ul style="list-style-type: none"> <li>Independent Director / Audit Committee / Nomination Committee PTT Chemical Public Company Limited</li> </ul>	2002 - 2006	<ul style="list-style-type: none"> <li>Permanent Secretary Ministry of Energy</li> </ul>

**14. M.R.Pongsvas Svasti**

Independent Director / Audit Committee Director

**Education**

- B.S. (Computer Science), Southeast Missouri State University, USA
- M.S. (Industrial Management), University of Central Missouri, USA
- M.P.A. (Public Policy and Management), Harvard University, USA
- Chief Information Officer Programme Class of 9 arranged by Office of the Civil Service Commission and NECTEC

**Director Training**

- Audit Committee Program (ACP), Class 5/2005
- Director Accreditation Program (DAP), Class 15/2004
- Director Certification Program (DCP), Class 44/2004  
Thai Institute of Directors (IOD)

**Experience**

Present	<ul style="list-style-type: none"> <li>Independent Director / Audit Committee Director IRPC Public Company Limited</li> <li>Independent Director / Audit Committee MFEC Public Company Limited</li> <li>Independent Director / Audit Committee PTT Exploration and Production Public Company Limited</li> <li>Associate Professor of Industrial and Operations Management at the Faculty of Commerce and Accountancy Thammasat University</li> </ul>
2008 - 2010	<ul style="list-style-type: none"> <li>Dean of the College of Innovation (CITU) Thammasat University</li> </ul>

## Boards of Directors

### 15. Mrs.Puntip Surathin

Independent Director / Audit Committee Director

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• B.A. (Accountancy) 2<sup>nd</sup> Class Honors, Chulalongkorn University</li> <li>• M.A. (Business Administration), Fort Hays Kansas State College, USA</li> <li>• Diploma, The Joint State-Private Sector Course National Defence College, Class 40</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Audit Committee Program (ACP), Class 27/2009</li> <li>• Director Certification Program (DCP), Class 5/2001 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <table border="0"> <tr> <td style="vertical-align: top;"> <p>Present</p> <p>2007 - 2008</p> <p>Jan.2007 - Sep.2008</p> <p>Dec.2006 - 2007</p> <p>2005 - Jan.2007</p> <p>2004 - 2008</p> </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>• Independent Director/ Audit Committee Director IRPC Public Company Limited</li> <li>• Board of Directors, Dhanarak Asset Development Company Limited</li> <li>• Director - General The Treasury Department</li> <li>• Board of Directors / Nomination Director PTT Public Company Limited</li> <li>• Deputy Permanent Secretary Office of the Permanent Secretary for Finance</li> <li>• Board of Directors, Siam Commercial Bank Public Company Limited</li> </ul> </td> </tr> </table>	<p>Present</p> <p>2007 - 2008</p> <p>Jan.2007 - Sep.2008</p> <p>Dec.2006 - 2007</p> <p>2005 - Jan.2007</p> <p>2004 - 2008</p>	<ul style="list-style-type: none"> <li>• Independent Director/ Audit Committee Director IRPC Public Company Limited</li> <li>• Board of Directors, Dhanarak Asset Development Company Limited</li> <li>• Director - General The Treasury Department</li> <li>• Board of Directors / Nomination Director PTT Public Company Limited</li> <li>• Deputy Permanent Secretary Office of the Permanent Secretary for Finance</li> <li>• Board of Directors, Siam Commercial Bank Public Company Limited</li> </ul>
<p>Present</p> <p>2007 - 2008</p> <p>Jan.2007 - Sep.2008</p> <p>Dec.2006 - 2007</p> <p>2005 - Jan.2007</p> <p>2004 - 2008</p>	<ul style="list-style-type: none"> <li>• Independent Director/ Audit Committee Director IRPC Public Company Limited</li> <li>• Board of Directors, Dhanarak Asset Development Company Limited</li> <li>• Director - General The Treasury Department</li> <li>• Board of Directors / Nomination Director PTT Public Company Limited</li> <li>• Deputy Permanent Secretary Office of the Permanent Secretary for Finance</li> <li>• Board of Directors, Siam Commercial Bank Public Company Limited</li> </ul>		

### 16. Mr.Chulayuth Hirunyavasi

Independent Director

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Law, Thammasat University</li> <li>• M.A. (Public Admin.), Kasetsart University</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 111/2008 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <table border="0"> <tr> <td style="vertical-align: top;"> <p>Present</p> <p>Apr.2008 - Oct.2010</p> <p>2006 - 2008</p> <p>2004 - 2006</p> </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>• Independent Director IRPC Public Company Limited</li> <li>• Member Metropolitan Waterworks Authority</li> <li>• Member, Bank for Agriculture and Agricultural Co-Operatives</li> <li>• Independent Director / Audit Committee Director/ Nomination Director PTT Public Company Limited</li> <li>• Permanent Secretary Office of the Prime Minister</li> <li>• Deputy Permanent Secretary Office of the Prime Minister</li> </ul> </td> </tr> </table>	<p>Present</p> <p>Apr.2008 - Oct.2010</p> <p>2006 - 2008</p> <p>2004 - 2006</p>	<ul style="list-style-type: none"> <li>• Independent Director IRPC Public Company Limited</li> <li>• Member Metropolitan Waterworks Authority</li> <li>• Member, Bank for Agriculture and Agricultural Co-Operatives</li> <li>• Independent Director / Audit Committee Director/ Nomination Director PTT Public Company Limited</li> <li>• Permanent Secretary Office of the Prime Minister</li> <li>• Deputy Permanent Secretary Office of the Prime Minister</li> </ul>
<p>Present</p> <p>Apr.2008 - Oct.2010</p> <p>2006 - 2008</p> <p>2004 - 2006</p>	<ul style="list-style-type: none"> <li>• Independent Director IRPC Public Company Limited</li> <li>• Member Metropolitan Waterworks Authority</li> <li>• Member, Bank for Agriculture and Agricultural Co-Operatives</li> <li>• Independent Director / Audit Committee Director/ Nomination Director PTT Public Company Limited</li> <li>• Permanent Secretary Office of the Prime Minister</li> <li>• Deputy Permanent Secretary Office of the Prime Minister</li> </ul>		





## 17. Mr.Pailin Chuchottaworn

Executive Director / President

### Education

- Bachelor of Engineering in Chemical Engineering with 1<sup>st</sup> Class Honor, Chulalongkorn University
- Master of Engineering in Chemical Engineering Tokyo Inst. Of Tech., Japan
- Doctor of Engineering in Chemical Engineering Tokyo Inst. Of Tech., Japan

### Director Training

- Director Certification Program (DCP), Class 51/2004
- Director Accreditation Program (DAP), Class 24/2004
- Finance for Non-Finance Directors (FND), Class 14/2004 Thai Institute of Directors (IOD)

### Experience

- |                     |   |
|---------------------|---|
| Present             | <ul style="list-style-type: none"> <li>• Executive Director / President IRPC Public Company Limited</li> </ul>                                  |
| Jul.2009 - Present  | <ul style="list-style-type: none"> <li>• Director PTT Polymer Marketing Company Limited</li> </ul>  |
| Jul.2006 - Present  | <ul style="list-style-type: none"> <li>• Director PTT Asahi Chemical Company Limited</li> </ul>   |
| 2004 - Present      | <ul style="list-style-type: none"> <li>• Director National Nano Technology Center, Ministry of Science and Technology</li> </ul>                |
| 2001 - Present      | <ul style="list-style-type: none"> <li>• Director The Petroleum and Petrochemical College Chulalongkorn University</li> </ul>                   |
| 1996 - Present      | <ul style="list-style-type: none"> <li>• Director National Metal and Materials Technology Center, Ministry of Science and Technology</li> </ul> |
| 2008                | <ul style="list-style-type: none"> <li>• Senior Executive Vice President PTT Public Company Limited</li> </ul>                                  |
| 2008 - May.2010     | <ul style="list-style-type: none"> <li>• Director, PTT Maintenance and Engineering Company Limited</li> </ul>                                   |
| 2008 - 2009         | <ul style="list-style-type: none"> <li>• Director, SPRC Company Limited</li> </ul>  |
| 2006 - Apr.2010     | <ul style="list-style-type: none"> <li>• Director, PTT Phenol Company Limited</li> </ul>  |
| 2006 - Apr.2010     | <ul style="list-style-type: none"> <li>• Director, Bangkok Polyethylene Public Company Limited</li> </ul>                                       |
| Jul.2006 - Sep.2009 | <ul style="list-style-type: none"> <li>• President PTT Asahi Chemical Company Limited</li> </ul>  |
| 2006 - 2009         | <ul style="list-style-type: none"> <li>• Director PTT Polymer Logistic Company Limited</li> </ul>   |
| 2006 - 2009         | <ul style="list-style-type: none"> <li>• Director, HMC Polymers Company Limited</li> </ul>  |
| 2005 - 2008         | <ul style="list-style-type: none"> <li>• Executive Vice President PTT Public Company Limited</li> </ul>   |
| 2005 - Jun.2009     | <ul style="list-style-type: none"> <li>• Manaing Director PTT Polymer Marketing Company Limited</li> </ul>                                      |

## Management Team



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03

**01 Mr. Atikom Terbsiri**  
 Senior Executive Vice President  
 Corporate Strategy & Planning  
 Acting Senior Executive  
 Vice President Port & Asset  
 Management Business Unit

**02 Mr. Nuntachai Prapawatwech**  
 Senior Executive Vice President  
 Corporate Commercial &  
 Marketing

**03 Mr. Sahaschai Panichapong**  
 Senior Executive Vice President  
 Petrochemical & Refinery Business  
 Unit

**04 Mr. Manit Suthaporn**  
 Acting Senior Executive Vice President  
 Corporate Human Resources & Administration Advisor  
 Officiate as Senior Executive Vice President Corporate Legal



05

06

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05 **Mr. Banlue Chantadisai**  
Senior Executive Vice President  
Corporate Accounting & Finance  
(Retired 1 Jan. 2011)

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06 **Mr. Wirat Uanarumit**  
Senior Executive Vice President  
Corporate Accounting & Finance

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## Management Team



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07 Miss Oravan Leelarasamee  
Executive Vice President  
Corporate Accounting

08 Miss Trithip Sivakrskul  
Executive Vice President  
Corporate Finance  
(Resigned 15 Jan.2011)

09 Mr.Kraisit Anukoolutaiwong  
Executive Vice President  
Corporate Human Resources

10 Mr.Gong Rungswang  
Executive Vice President  
Corporate Marketing

11 Mr.Chansin Treenuchagron  
Executive Vice President  
Corporate Planning



14 12 13 15 16

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12 Mrs.Srisuda Suralertrungsun  
Executive Vice President  
Corporate Administration &  
Procurement

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13 Mrs.Sumon Rungkasiri  
Executive Vice President  
Corporate Affairs

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14 Mr.Chalor Panutrakul  
Executive Vice President  
Port Business

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15 Mr.Pravet Assavadakorn  
Executive Vice President  
Corporate Business Development

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16 Mr.Somkiat Lertritpuwadol  
Acting Executive Vice President  
Corporate Planning Supply  
Feedstock & Trading

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## Management Team



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17 **Mr. Trisdee Watanangkur**  
Executive Vice President  
Operation 1

18 **Mr. Woravuth Sivapetranart**  
Acting Executive Vice President  
Operation 2

19 **Mr. Pongpraphan Titathavewatana**  
Executive Vice President  
Operation 3

20 **Mr. Chairit Charuchinda**  
Acting Executive Vice President  
Operation 4

21 **Mr. Natapong Pornprayuth**  
Executive Vice President  
Asset Management



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22 Mr.Prateep Wattanasiroaj  
Executive Vice President  
Office of President

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23 Mr.Vasan Sereesongsaeng  
Executive Vice President  
Office of President

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24 Mr.Vichit Nittayanonte  
Acting Executive Vice President  
Office of President

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25 Mrs.Chitra Thavara  
Advisor to President  
Office of President

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26 Vadm.Sanchai Panyam Rtn.  
Advisor to President  
Office of President

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## Management Team

### 1. Mr. Atikom Terbsiri

Senior Executive Vice President Corporate Strategy & Planning /

Acting Senior Executive Vice President Port & Asset Management Business Unit

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• B.B.A., Assumption University</li> <li>• M.B.A. (Finance &amp; International Business), High Distinction, Armstrong University, USA</li> <li>• Doctoral Course in Human Resources Management and Managerial Economics, Golden Gate University, USA</li> <li>• Executive Education Program, Harvard Business School, Harvard University, USA</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 125/2009 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <ul style="list-style-type: none"> <li>Jun.2009 - Present           <ul style="list-style-type: none"> <li>• Senior Executive Vice President Corporate Strategy &amp; Planning IRPC Public Company Limited</li> </ul> </li> <li>Jan.2009 - Present           <ul style="list-style-type: none"> <li>• Acting Senior Executive Vice President Port &amp; Asset Management Business Unit IRPC Public Company Limited</li> </ul> </li> <li>Jul.2009 - Present           <ul style="list-style-type: none"> <li>• Director, Thai ABS Company Limited</li> <li>• Director, IRPC Polyol Company Limited</li> <li>• Director, IRPC Oil Company Limited</li> </ul> </li> <li>Aug.2009 - Present           <ul style="list-style-type: none"> <li>• Director Rayong Acetylene Company Limited</li> </ul> </li> <li>Oct.2009 - Present           <ul style="list-style-type: none"> <li>• Director, IRPC A&amp;L Company Limited</li> </ul> </li> <li>Dec.2007 - May2009           <ul style="list-style-type: none"> <li>• Executive Vice President Corporate Strategy &amp; Commercial PTT Aromatics and Refining Public Company Limited</li> </ul> </li> <li>2008 - 2009           <ul style="list-style-type: none"> <li>• Director, PTT ICT Solutions Company Limited</li> </ul> </li> <li>2004 - 2009           <ul style="list-style-type: none"> <li>• Director, PTT Phenol Company Limited</li> </ul> </li> <li>2002 - 2007           <ul style="list-style-type: none"> <li>• Executive Vice President Business &amp; Finance The Aromatics (Thailand) Public Company Limited</li> </ul> </li> </ul>
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### 2. Mr. Nuntachai Prapawatwech

Senior Executive Vice President Corporate Commercial & Marketing

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Bachelor Degree of Engineering, Kasetsart University</li> <li>• Management of Public Economy for Executives King Prajadhipok's Institute</li> <li>• Public Law and Management for Executives King Prajadhipok's Institute</li> <li>• Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 125/2009 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <ul style="list-style-type: none"> <li>Jul.2009 - Present           <ul style="list-style-type: none"> <li>• Senior Executive Vice President Corporate Commercial &amp; Marketing IRPC Public Company Limited</li> </ul> </li> <li>2008 - Jun.2009           <ul style="list-style-type: none"> <li>• Executive Vice President Terminal Operation PTT Public Company Limited</li> </ul> </li> <li>2006 - 2008           <ul style="list-style-type: none"> <li>• Executive Vice President Supply &amp; Logistics PTT Public Company Limited</li> </ul> </li> <li>2005 - 2006           <ul style="list-style-type: none"> <li>• Executive Vice President Terminal Operation PTT Public Company Limited</li> </ul> </li> </ul>
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### 3. Mr.Sahaschai Panichapong

Senior Executive Vice President Petrochemical & Refinery Business Unit

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• B.Eng. (Mechanical), Chulalongkorn University</li> <li>• M.Eng. (Mechanical), Lamar University, Beaumont, Texas, USA</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP), Class 56/2006</li> <li>• Finance for Non-Finance Directors (FND), Class 14/2004 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <p>Jan.2010 - Present</p> <ul style="list-style-type: none"> <li>• Senior Executive Vice President Petrochemical &amp; Refinery Business Unit IRPC Public Company Limited</li> </ul> <p>Mar.2009 - Jan.2010</p> <ul style="list-style-type: none"> <li>• Senior Executive Vice President Operation IRPC Public Company Limited</li> </ul> <p>2006 - 2008</p> <ul style="list-style-type: none"> <li>• Senior Executive Vice President PTT Chemical Public Company Limited</li> </ul> <p>2004 - 2006</p> <ul style="list-style-type: none"> <li>• Senior Vice President Thai Olefins Public Company Limited</li> </ul>
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### 4. Mr.Manit Suthaporn

Acting Senior Executive Vice President Corporate Human Resources & Administration /  
Advisor, Officiate as Senior Executive Vice President Corporate Legal

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• LL.M. Chulalongkorn University</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 134/2010 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <p>Jun.2009 - Present</p> <ul style="list-style-type: none"> <li>• Acting Senior Executive Vice President Corporate Human Resources &amp; Administration IRPC Public Company Limited</li> </ul> <p>Mar.2008 - Present</p> <ul style="list-style-type: none"> <li>• Advisor, Officiate as Senior Executive Vice President Corporate Legal IRPC Public Company Limited</li> </ul>
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### 5. Mr.Banlue Chantadisai

Senior Executive Vice President Corporate Accounting & Finance

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• B.Sc., Massachusetts Institute of Technology</li> <li>• M.B.A., University of Chicago Business School</li> <li>• Diploma, The Joint State-Private Sector Course National Defence College, Class 15</li> <li>• Capital Market Academy Leadership Program, Capital Market Academy, (CMA) Class 5</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 9/2001 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <p>2006 - Jan.2011</p> <ul style="list-style-type: none"> <li>• Senior Executive Vice President Corporate Accounting &amp; Finance IRPC Public Company Limited</li> </ul> <p>2006 - 2010</p> <ul style="list-style-type: none"> <li>• Director, IRPC A&amp;L Company Limited</li> </ul> <p>1998 - 2006</p> <ul style="list-style-type: none"> <li>• Executive Vice President Investment Banking Group Bangkok Bank Public Company Limited</li> </ul>
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## Management Team

### 6. Mr. Wirat Uanarumit

Senior Executive Vice President Corporate Accounting & Finance

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• B.S. in Electrical Engineering, Chulalongkorn University</li> <li>• MBA, The Pennsylvania State University, USA</li> <li>• Capital Market Academy Leadership Program, Capital Market Academy (CMA), Class 5</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 8/2001 Thai Institute of Directors (IOD)</li> <li>• TLCA Executive Development Program (EDP), Class 1/2008 Thai Listed Companies Association</li> </ul>	<p><b>Experience</b></p> <p>Feb.2010 - Present</p> <ul style="list-style-type: none"> <li>• Senior Executive Vice President Corporate Accounting &amp; Finance IRPC Public Company Limited</li> </ul> <p>Present</p> <ul style="list-style-type: none"> <li>• Executive Vice President Petrochemical and Refining Business Unit PTT Public Company Limited</li> <li>• Director, Sansiri Public Company Limited</li> <li>• Director Thaioil Energy Solution Company Limited</li> <li>• Director, Thaioil Ethanol Company Limited</li> <li>• Director, Sak Chaisidth Company Limited</li> <li>• Director Maesod Clean Energy Company Limited</li> <li>• Director, Saphip Company Limited</li> </ul> <p>2009 - Jan.2011</p> <ul style="list-style-type: none"> <li>• Deputy Managing Director-Finance Thai Oil Public Company Limited</li> </ul> <p>2007 - Feb.2011</p> <ul style="list-style-type: none"> <li>• Director, PTT ICT Solutions Company Limited</li> </ul> <p>2005 - 2009</p> <ul style="list-style-type: none"> <li>• Assistant Management Director-Finance Thai Oil Public Company Limited</li> </ul>
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### 7. Miss Oravan Leelarasamee

Executive Vice President Corporate Accounting

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Accountance, Chulalongkorn University</li> <li>• Master of Commerce, Chulalongkorn University</li> </ul>	<p><b>Experience</b></p> <p>Jan.2009 - Present</p> <ul style="list-style-type: none"> <li>• Executive Vice President Corporate Accounting IRPC Public Company Limited</li> </ul> <p>2003 - 2008</p> <ul style="list-style-type: none"> <li>• Vice President Accounting PTT Public Company Limited</li> </ul>
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### 8. Miss Trithip Sivakrskul

Executive Vice President Corporate Finance

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• BBA ( Finance Banking ), Chulalongkorn University</li> <li>• MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>• Capital Market Academy Leadership Program, Capital Market Academy (CMA), Class 9/2009</li> </ul>	<p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP), Class 31/2005 Thai Institute of Directors (IOD)</li> <li>• TLCA Executive Development Program (EDP), Class 2 Thai Listed Companies Association</li> </ul>
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**Experience**

Jun.2009 - Jan.2011	<ul style="list-style-type: none"> <li>Executive Vice President Corporate Finance IRPC Public Company Limited</li> </ul>	2006 - Sep.2007	<ul style="list-style-type: none"> <li>Senior Vice President Accounting and Finance IRPC Public Company Limited</li> </ul>
Present	<ul style="list-style-type: none"> <li>Director and Audit Committee Member Superblock Public Company Limited</li> <li>Director and Audit Committee Member P Plus P Public Company Limited</li> </ul>	2005 - Jan.2007	<ul style="list-style-type: none"> <li>Advisor, Muang Thai Insurance Public Company Limited</li> </ul>
Jan.2008 - Jun.2008	<ul style="list-style-type: none"> <li>Advisor for Cost Management The Stock Exchange of Thailand</li> </ul>	2003 - Apr.2006	<ul style="list-style-type: none"> <li>Working Team of The Plan Administrator Thai Petrochemical Industry Public Company Limited</li> </ul>
2007 - 2009	<ul style="list-style-type: none"> <li>Senior Vice President Corporate Planning and Business Development IRPC Public Company Limited</li> </ul>	2003 - 2006	<ul style="list-style-type: none"> <li>Advisor, Financial Institutions Development Fund (FIDF)</li> </ul>

**9. Mr.Kraisit Anukoolutaiwong <sup>/1</sup>**

Executive Vice President Corporate Human Resources

**Education**

- B.A. (Political Science), Thammasat University
- Mini MBA, Thammasat University
- M.P.A. National Institute of Development Administration (NIDA)

**Experience**

- |                    |  |
|--------------------|--|
| Jan.2010 - Present | <ul style="list-style-type: none"> <li>Executive Vice President<br/>Corporate Human Resources<br/>IRPC Public Company Limited</li> </ul> |
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**10. Mr.Gong Rungswang <sup>/1</sup>**

Executive Vice President Corporate Marketing

**Education**

- Bachelor of Engineering : Chulalongkorn University (B.Eng, Honors)
- Master of Engineering (M.Eng) : Asian Institute of Technology
- Master of Management (MM (Exec-MBA)) Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Master of Economics : University of Hawaii (UH), USA (MA-Econ)
- Modern Marketing Management (MMM) Program Chulalongkorn University (CU)
- Advance Senior Executive Program (ASEP) Kellogg School of Business Administration
- TrailBlazer (Leadership) Program London Business School (LBS)
- Washington Campus Program (Government Training) Georgetown, Washington DC
- Executive Program for Senior Management, Fiscal Policy Research Institute

**Director Training**

- Director Certification Program (DCP), Class 30/2003 Thai Institute of Directors (IOD)

**Experience**

- |                    |  |
|--------------------|--|
| Jan.2010 - Present | <ul style="list-style-type: none"> <li>Executive Vice President<br/>Corporate Marketing<br/>IRPC Public Company Limited</li> </ul> |
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Note : <sup>/1</sup> The Company's management which are not considered as the stipulated management by definition of SEC.

## Management Team

### 11. Mr.Chansin Treenuchagron <sup>/1</sup>

Executive Vice President Corporate Planning

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Bachelor Degree of Economic, Thammasart University</li> <li>• Master Degree of Economic, Chulalongkorn University</li> <li>• Air War College, Class 35/2006</li> <li>• Senior Executive Program, Class 20 Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>• Executive Development Relation, Class 1 Directorate of Civil Affairs</li> <li>• PTT Executive Leadership, General Electric, GE, New York, USA</li> <li>• Advance Senior Executive Program, Class 5 KELLOGG &amp; SASIN, Chicago, USA</li> </ul>	<p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 85/2007 Thai Institute of Directors (IOD)</li> </ul> <p><b>Experience</b></p> <p>Jun.2009 - Present</p> <ul style="list-style-type: none"> <li>• Executive Vice President Corporate Planning IRPC Public Company Limited</li> </ul> <p>Nov.2010 - Present</p> <ul style="list-style-type: none"> <li>• President, Thai ABS Company Limited</li> <li>• President, IRPC Oil Company Limited</li> </ul>
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### 12. Mrs.Srisuda Suralertrungsun <sup>/1</sup>

Executive Vice President Corporate Administration & Procurement

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Faculty of Commerce and Accountancy, Chulalongkorn University</li> <li>• EMBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> </ul>	<p><b>Experience</b></p> <p>Jun.2009 - Present</p> <ul style="list-style-type: none"> <li>• Executive Vice President Corporate Administration &amp; Procurement IRPC Public Company Limited</li> </ul> <p>Apr.2008 - Present</p> <ul style="list-style-type: none"> <li>• Director Technology IRPC Company Limited</li> </ul>
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### 13. Mrs.Sumon Rungkasiri <sup>/1</sup>

Executive Vice President Corporate Affairs

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Master of Public Administration, National Institute of Development Administration (NIDA)</li> <li>• Political Science - Public Administration, Thammasat University</li> </ul>	<p><b>Experience</b></p> <p>Jun.2010 - Present</p> <ul style="list-style-type: none"> <li>• Executive Vice President Corporate Affairs IRPC Public Company Limited</li> </ul>
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### 14. Mr.Chalor Panutrakul <sup>/1</sup>

Executive Vice President Port Business

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Master of Management (MM), Sasin Graduate Institution of Business Administration, Chulalongkorn University</li> </ul> <p><b>Director Training</b></p> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Class 61/2005 Thai Institute of Directors (IOD)</li> </ul>	<p><b>Experience</b></p> <p>Jan.2010 - Present</p> <ul style="list-style-type: none"> <li>• Executive Vice President Port Business IRPC Public Company Limited</li> </ul>
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Note : <sup>/1</sup> The Company's management which are not considered as the stipulated management by definition of SEC.

**15. Mr.Pravet Assavadakorn** <sup>/1</sup>

Executive Vice President Corporate Business Development

Education	Experience
<ul style="list-style-type: none"> <li>Bachelor Degree of Chemical Engineering University of Tokyo</li> <li>Master Degree of Chemical Energy Engineering University of Tokyo</li> </ul>	Jan.2010 - Present <ul style="list-style-type: none"> <li>Executive Vice President Corporate Business Development IRPC Public Company Limited</li> </ul>

**16. Mr.Somkiat Lertritpuwadol** <sup>/1</sup>

Acting Executive Vice President Corporate Planning Supply Feedstock &amp; Trading

Education	Experience
<ul style="list-style-type: none"> <li>B.Sc (Chemistry), Ramkhamhaeng University</li> <li>MBA, Asian University</li> <li>WHARTON-Executive Leadership Program National Institute of Development Administration (NIDA)</li> </ul>	Nov.2010 - Present <ul style="list-style-type: none"> <li>Acting Executive Vice President Corporate Planning Supply Feedstock &amp; Trading IRPC Public Company Limited</li> <li>Acting Vice President Office of Corporate Research &amp; Development IRPC Public Company Limited</li> </ul>

**17. Mr.Trisdee Watanangkur** <sup>/1</sup>

Executive Vice President Operation 1

Education	Experience
<ul style="list-style-type: none"> <li>Bachelor of Science (Chemical Technology) Chulalongkorn University</li> <li>Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> </ul>	Nov.2010 - Present <ul style="list-style-type: none"> <li>Executive Vice President Operation 1 IRPC Public Company Limited</li> </ul>

**18. Mr.Woravuth Sivapetranart** <sup>/1</sup>

Acting Executive Vice President Operation 2

Education	Experience
<ul style="list-style-type: none"> <li>B.Sc (Chemistry), Prince of Songkhla University</li> <li>Mini MBA, Thammasat University</li> </ul>	Nov.2010 - Present <ul style="list-style-type: none"> <li>Acting Executive Vice President Operation 2 IRPC Public Company Limited</li> </ul>

Note : <sup>/1</sup> The Company's management which are not considered as the stipulated management by definition of SEC.

## Management Team

### 19. Mr.Pongraphan Titathavewatana <sup>/1</sup>

Executive Vice President Operation 3

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• B.Sc. (Chemistry), Khonkaen University</li> <li>• Mini MBA, Thammasart University</li> <li>• Certificate of Executive Education Program for Senior Management 2009, Fiscal Policy Research Institute Foundation</li> </ul>	<p><b>Experience</b></p> <p>Nov.2010 - Present</p> <ul style="list-style-type: none"> <li>• Executive Vice President Operation 3 IRPC Public Company Limited</li> </ul>
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### 20. Mr.Chairit Charuchinda <sup>/1</sup>

Acting Executive Vice President Operation 4

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Degree Bachelor of Industrial Technology in Production Technology, Faculty of Engineering</li> <li>• Mini MBA, Thammasat University</li> </ul>	<p><b>Experience</b></p> <p>Nov.2010 - Present</p> <ul style="list-style-type: none"> <li>• Acting Executive Vice President Operation 4 IRPC Public Company Limited</li> </ul>
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### 21. Mr.Natapong Pornprayuth <sup>/1</sup>

Executive Vice President Asset Management

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Bachelor Degree in Accounting from Chulalongkorn University</li> <li>• Master Degree in Public Administration from National Institute of Development Administration (NIDA)</li> <li>• Senior Executive Program, Sasin Graduate Institute of Business of Chulalongkorn University</li> </ul>	<p><b>Experience</b></p> <p>Jun.2010 - Present</p> <ul style="list-style-type: none"> <li>• Executive Vice President Asset Management IRPC Public Company Limited</li> </ul>
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### 22. Mr.Prateep Wattanasriroj <sup>/1</sup>

Executive Vice President Office of President

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• B.Sc (Chem.Eng.) Prince of Songkhla University</li> <li>• Mini MBA, Thammasart University</li> <li>• Certificate of Executive Program for Senior Management 2009 (Ex-PSM5), Fiscal Policy Research Institute Foundation</li> </ul>	<p><b>Experience</b></p> <p>Nov.2010 - Present</p> <ul style="list-style-type: none"> <li>• Executive Vice President Office of President IRPC Public Company Limited</li> </ul>
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Note : <sup>/1</sup> The Company's management which are not considered as the stipulated management by definition of SEC.

**23. Mr.Vasan Sereesongsaeng <sup>/1</sup>**

Executive Vice President Office of President

**Education**

- BSE. Mechanical Engineering  
The National ChengKung University, Taiwan
- Master Degree, Public Administration,  
National Institute of Development Administration (NIDA)

**Experience**

- Nov.2010 - Present
- Executive Vice President  
Office of President  
IRPC Public Company Limited

**24. Mr.Vichit Nittayanonte <sup>/1</sup>**

Acting Executive Vice President Office of President

**Education**

- Bachelor of Science, Chulalongkorn University
- Master Degree in Business Administration, Burapha University
- Senior Executive Program (SEP), Class 24, Sasin Graduate  
Institute of Business Administration of Chulalongkorn University

**Experience**

- Nov.2010 - Present
- Acting Executive Vice President  
Office of President  
IRPC Public Company Limited
- President, IRPC Polyol Company Limited

**25. Mrs.Chitra Thavara <sup>/1</sup>**

Advisor to President Office of President

**Education**

- Bachelor Degree in Commerce Thammasat University
- Senior Executive Program (SEP), Class 12/1998, Sasin Graduate  
Institute of Business Administration of Chulalongkorn University

**Director Training**

- Director Accreditation Program (DAP), Class 56/2006  
Thai Institute of Directors (IOD)

**Experience**

- Nov.2010 - Present
- Advisor to President  
Office of President  
IRPC Public Company Limited

**26. Vadm.Sanchai Panyam Rtn. <sup>/1</sup>**

Advisor to President Office of President

**Education**

- Bachelor Degree of Science in Chemical Technology Department  
Chulalongkorn University

**Experience**

- Nov.2010 - Present
- Advisor to President  
Office of President  
IRPC Public Company Limited

Note : <sup>/1</sup> The Company's management which are not considered as the stipulated management by definition of SEC.

## Directors and Management Team

Name	Mr.Norkun Sittiphong	Mr.Prasert Bunsumpun	Mr.Aree Wongsaearya	Mr.Prajya Phinyawat	Mr.Virabongsa Ramangkura	Mrs.Jantima Sirsaengtaksin	Mrs.Puntip Surathin	Mrs.Sommai Khowkachaporn	Mr.Lersuk Chuladesa	M.R.Pongsvas Svasti	Mr.Cherdpong Srivrit	Mr.Woohisarn Tanchai	Mr.Chitrapongse Kwangsukstith	Mr.Pichai Chunhavaajira	Mr.Chulayuth Hirunayavit	Miss Sopawadee Lertmanaschai	Mr.Pailin Chuchottaworn	Mr.Banlue Chantadisa	Mr.Atikom Terbsiri	Mr.Sahaschai Panichapong	Mr.Manit Suthaporn	Mr.Nuntachai Prapawatwech	Miss Oravan Leelarasamee	Miss Tritip Sivakriskul
<b>Company</b>	x, //	//	//	//	//	//	/	//	/	/	/	//	//	//	/	/	//	//	//	//	//	//	//	
1 IRPC Public Company Limited																								
<b>Subsidiaries</b>																								
2 IRPC Polyol Company Limited	x, //	//																						
3 Thai ABS Company Limited	x, //	//																						
4 IRPC Oil Company Limited		x, //																						
5 IRPC Technology Company Limited																								
6 IRPC A&L Company Limited																								
7 TPI Oil (2001) Company Limited																								
8 TPI Internet Portal Company Limited																								
<b>Associated Company</b>																								
9 PTT Polymer Marketing Company Limited																								
<b>Related Companies</b>																								
10 PTT Public Company Limited	//	//																						
11 PTT Chemical Public Company Limited		/																						
12 Thai Oil Public Company Limited																								
13 Thai Lube Base Public Company Limited		//																						
14 Thai Paraxylene Company Limited																								
15 PTT Aromatics and Refining Public Company Limited	/	//																						
16 Bangchak Petroleum Public Company Limited																								
17 PTT Polyethylene Company Limited																								
18 PTT Phenol Company Limited																								

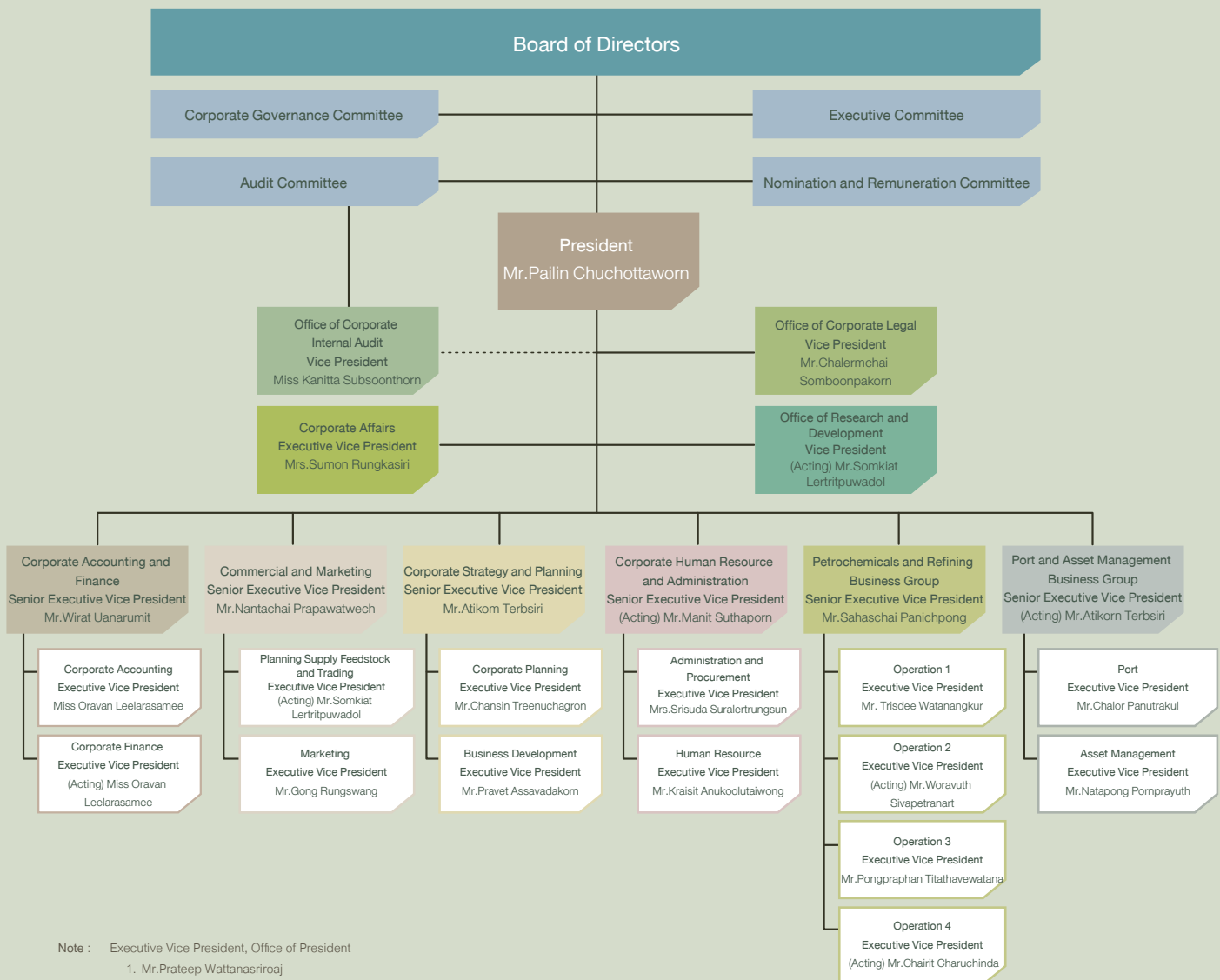
Remarks : / = Director, // = Executive Director, /// = Management, X = Chairman





# Organization Chart

## ORGANIZATION CHART



Note : Executive Vice President, Office of President

1. Mr. Prateep Wattanasriroj
2. Mr. Vasan Sereesongsaeng
3. Mr. Vichit Nittayanonte (Acting)

Advisor to President, Office of President

1. Mrs. Chitra Thavara
2. Vadm. Sanchai Panyam Rtn.

## Milestones in 2010

### January 2010



IRPC successfully launched the “IRON” (IRPC Oil On Net) system, an IT system designed exclusively for the petroleum industry’s online transactions. The IRON is now linked with commercial banks’ online system, allowing customers to conduct transactions real-time through their PDA mobile devices.

IRPC opened the “Community Center” for people in Rayong Province to serve as education center, agricultural promotion and environmental conservation center as well as a venue for social meeting place between the company and communities.



### February 2010



IRPC succeeded the first manufacturer of the Green ABS or Styrenic who produce ABS with natural rubber instead of synthetic rubber as a raw material in the production process.

### August 2010



IRPC signed the Maintenance, Commissioning and Start-Up Service Agreement with Philippines Polypropylene Incorporation which operate petrochemical business in Philippines to provide technical, maintenance advice and to train their people.



IRPC received a “Carbon Reduction Label Certificate” from the Thailand Greenhouse Gas Management Organization in collaboration with the Thai Environment Institute (TEI) for the environmental-friendly production process of its polyolefin.

### August 2010

Dr. Pailin Chuchottaworn received three awards, including the presidential energy conservation award and two honorable mentions in the category of creative energy projects from the Prime Minister Abhisit Vejjajiva at the Thailand Energy Award 2010.





### August 2010

Standard & Poor's (S&P's) and Moody's Investor Service maintained the rating of IRPC's unsecured debentures at BBB- and Baa3, respectively, while upgrading its credit rating outlook from Negative to Stable.

### September 2010



IRPC launched the TDAE (Treated Distillate Aromatic Extract) and the RAE (Residue Aromatic Extract) with reduced carcinogen as a raw material for making new generation of car tires.

### November 2010



IRPC signed a Memorandum of Under-standing with East Water Resource Management and Development Plc. (East Water) for the best practice sharing of water management R&D in Rayong Province.

### October 2010



Dr.Pailin Chuchottaworn received the Ecomagination Award given by GE Water & Process Technology (Thailand) Co., Ltd. for creative leadership in environment.

### December 2010

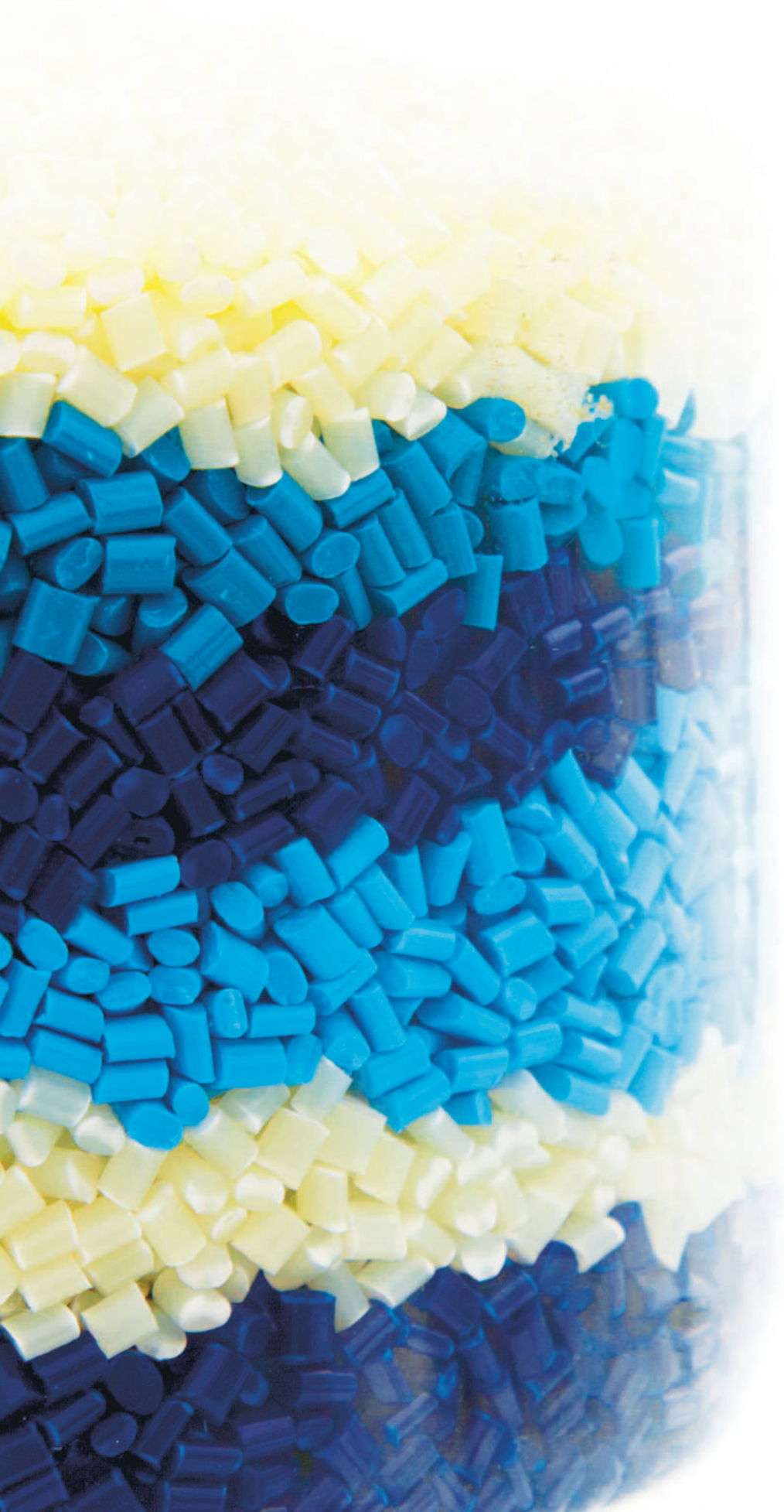
IRPC launched the seven innovations in Polyolefins under the "Next Generation Polyolefin for Better Life", which focused at enhancing product quality while taking into consideration better living and environmental quality.



### January 2011

On 26 January 2011, one of the six units under the Combined Heat and Power Project (CHP), which produces electricity from natural gas, has started distributing electricity to the power synchronization system.





## Nature of Business

IRPC is a pioneer in integrated petrochemical industry in the South East Asia. Its refinery and petrochemical complexes are situated on its own industrial estate on the Eastern coast of Thailand in Cheong Nern District, Rayong Province. Besides basic utilities, there are supporting facilities such as deep-sea port, tank farm and power plant.

The Company operates the petrochemical and refinery businesses which Petroleum products are also the raw material for petrochemical plants. The refinery capacity is 215,000 barrels per day which is the third in terms of local capacity. It produces various kinds of refined oil, including diesel and gasoline, lube base oil and asphalt. In addition, naphtha which is part of the refining product can be used as raw materials for olefins and aromatic products. These in turn become the raw materials for downstream petrochemical products and sell to plastic converters.

## Revenue Structure

Business segment	Operated by	2008		2009		2010	
		Million Baht	%	Million Baht	%	Million Baht	%
1. Petroleum	IRPC Plc., IRPC Oil Co., Ltd.	180,294	74%	118,819	71%	166,032	75%
2. Petrochemical	IRPC Plc, Thai ABS Co., Ltd., IRPC Polyol Co., Ltd.	61,488	25%	44,511	27%	52,198	24%
3. Other business <sup>(1)</sup>	IRPC Plc.	2,912	1%	2,706	2%	3,381	1%
<b>Total sales</b>		<b>244,694</b>	<b>100%</b>	<b>166,036</b>	<b>100%</b>	<b>221,611</b>	<b>100%</b>
4. Share of profit (loss) of investment in associates		(31)		17		29	
5. Other revenues <sup>(2)</sup>		954		165		1,857	
<b>Total revenues</b>		<b>245,617</b>		<b>166,218</b>		<b>223,497</b>	

Sales ratio between local : export	62 : 38	67 : 33	64 : 36
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### Note :

<sup>(1)</sup> Other businesses include electricity sale, port and other utilities service fees

<sup>(2)</sup> Other revenues include gains (losses) from foreign exchange rate, gains (losses) from change in fair value of investments in trading securities, gains (losses) from crack spread swap and time spread swap contracts, dividend income and interest income



## Petroleum Business

IRPC's petroleum products include;

1. Refined oil which comprises of gasoline, high-speed diesel and LPG.
2. Lube base oil used as a main raw material in the production of various grades of lubricants.
3. Naphtha is the light petroleum products, used as feedstock for petrochemical plants.
4. Long residue or ATB which is heavy oil used as a main raw material in the production of lube base oil.
5. Asphalt, the heaviest petroleum products used for road construction.

The Company also invented and developed of lube base oil group innovation called Treated Distillate Aromatic Extract (TDAE) and Residue Aromatic Extract (RAE), rubber oil with minimum carcinogenic substance that is used for producing car tires.

## Petrochemical Business

IRPC's petrochemical products include;

1. Olefins, including ethylene, propylene and butadiene which are raw materials for the Company's petrochemical plants with partial sales to external customer.
2. Aromatics, consisting of benzene, toluene and xylene whereby benzene is the raw material for intermediate petrochemical plants and toluene and xylene are sold externally.





3. Polymers, comprising HDPE, PP, ABS/SAN, PS and EPS are sold as raw materials to plastic converters.
4. Polyols, consisting of polyester and polyether polyols, which are used as raw materials for manufacturing polyurethane, which is then processed to become such products as foam used for furniture and for heat transfer insulation in the construction industry.

In addition, the Company's styrenic innovation include Green ABS, ABS Powder, Impact modifier-MBS, Anti-dripping Additive and Anti-Bacteria, and the innovations in the polyolefins group are UHMW-PE, Polyolefins Catalyst, Baby Bottle Polypropylene and Antimicrobial Compound etc.



### IRPC Port

IRPC's port is located in the same area as its refinery, in the province of Rayong whereby it provides a number of facilities and dock services for clients, including tug-boats, piloting services, lighters, fresh water and fuel, weigh scales, container yards, warehouses, and machines and equipment for transshipment of goods.

The main port area comprises the followings;

- **Liquid & Chemical Terminal** : This terminal offers services for petrochemicals, liquid petroleum, and gas. The port is 1,623 metres long, and is divided into 8 sub-wharfs. With a channel depth of 6 - 19 metres, it can handle vessels of 1,000 - 250,000 DWT (deadweight tonnage).

- **Bulk & Container Terminal** : This terminal offers services for bulk shipments and container goods. The port is 900 metres long, 48 metres wide, and is divided into 8 sub-wharfs. With a channel depth of 5 - 17 metres, it can handle vessels of between 800 - 150,000 DWT (deadweight tonnage).



## IRPC Asset Management Business

IRPC asset management business manages empty plots in Rayong and other provinces. With a total area of about 10,000 rai, the plot will be developed into an industrial estate or an industrial zone to support IRPC's core businesses as well as PTT and outside industries. This business focuses its operations on being friendly to the communities and environment.



## Industry Outlook and Competition

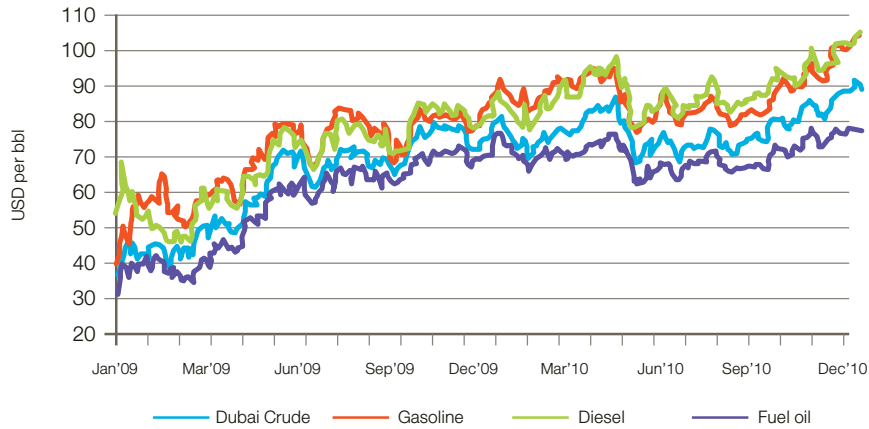
### Petroleum Industry

In 2010, crude oil price ranged between USD 69-92 per barrel while Dubai oil price average was USD 78 per barrel, an increase of average price of USD 62 per barrel in 2009 or 26% increase. In 2010, local refinery had crude intake of 961,764 barrels per day, an increase of 3% from 2009, as a result of economic recovery and the fact that government's economic stimulus packages boosted local oil consumption. Domestic demand for oil increased by 3% in general while LPG demand increased by 16%, which represent an increase in all segments, especially in the manufacturing and petrochemical industry. Demand for Jet oil grew by 6% due to recovery of the travel industry. The higher global oil price also boosted retail oil price in Thailand in 2010 to a higher level compared to 2009. The pricing is a significant factor that affects domestic demand for gasoline and diesel. Consumption of gasoline shrank by 1.4% while diesel demand was maintained compared to the previous year.

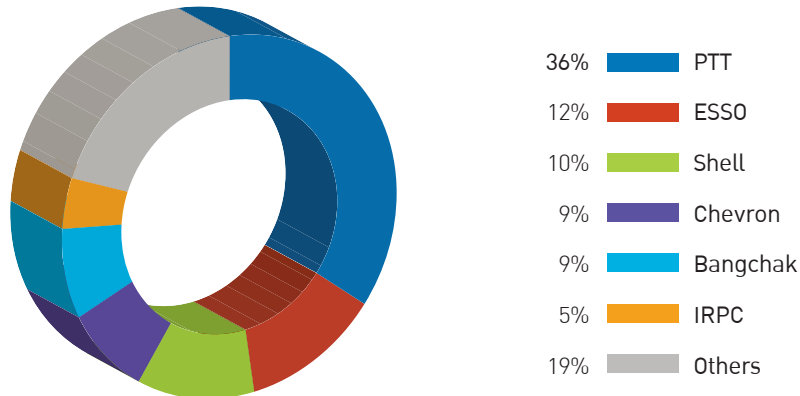




Crude Oil and Refined Oil Prices



Market share of Refined Oil in 2010



### Petroleum Industry Outlook in 2011

It is expected that energy consumption will increase by 4.8% in 2011 compared to 2010 due to fluctuation in global oil price. This trend is likely to continue in 2011 with global oil price of USD 85-90 per barrel, a 10% increase compared to 2010 of USD 78 per barrel resulting from the global economic recovery. It is expected that the industry will grow 3 - 4% and global energy consumption demand will expand at 2 - 3% rate.

### Refined Oil

It is forecasted that domestic refined oil consumption in 2011 will expand by 4% while LPG or cooking gas will grow by 12% as a result of the government's policy to maintain LPG price at the lower rate compared to the global price. The government has increased LPG price at the refinery to motivate local refinery to produce more LPG to substitute imports. This not only

increases refinery income but also reduce the financial burden of the oil fund from LPG compensation. Other refined oil products are expected to expand at the normal rate. Gasoline and diesel oil consumption is likely to maintain at the same level in 2010 because of higher retail oil price driven by the global oil price increase and the government's attempt to promote alternative energy. Jet Oil will expand by 4% while fuel oil will grow by 2%.

Domestic refined oil production is likely to maintain at the same level or slightly reduce because several refineries plan to stop or reduce production capacity in order to connect with their new production units. High grade refined oil that meets the EURO IV standard will be available from 1 January 2012.

### Petrochemical Industry

In 2010, the petrochemical industry generally expanded due to higher demand in accordance with the global economic recovery driven by continuous economic stimulus packages in China and the United States that have been continue since 2009. Product prices continued to increase in accordance with prices of the raw materials which are crude oil and naphtha, although there were more products from China and the Middle East were introduced to the market in the first half of 2010 while downstream petrochemical production in Thailand expanded approximately 2 million tonnes per year in the second half of the year. In 2010, PP price was USD 1,345 per tonne, an increase of 24% while HDPE price was USD 1,215 per tonne on average per tonne or 9% increase. For olefin products, average ethylene price was USD 1,076 per tonne, or 25% increase, while average propylene price was USD 1,137 per tonne, or 29% increase.

#### List of local producers and capacity of plastic resins

(unit : thousand tonnes per year)

Polyolefins	Capacity	Percentage
<b>HDPE</b>		
IRPC Plc.	140	7%
Thai Polyethylene Co. Ltd	980	51%
Bangkok Polyethylene Plc.	500	26%
PTT Chemical Plc.	300	16%
<b>Total</b>	<b>1,920</b>	<b>100%</b>
<b>PP</b>		
IRPC Plc.	475	24%
HMC Polymers Co., Ltd.	755	39%
Thai Polyethylene Co. Ltd	720	37%
<b>Total</b>	<b>1,950</b>	<b>100%</b>

(unit : thousand tonnes per year)

Styrenics	Capacity	Percentage
<b>ABS</b>		
Thai ABS Co.,Ltd	117	55%
Ineos ABS (Thailand) Co., Ltd	95	45%
<b>Total</b>	<b>212</b>	<b>100%</b>
<b>EPS</b>		
Thai ABS Co.,Ltd	30	68%
Ming Thi Chemical Co.,Ltd.	14	32%
<b>Total</b>	<b>44</b>	<b>100%</b>
<b>PS</b>		
Thai ABS Co.,Ltd	100	29%
Siam Polystyrene Co, Ltd	150	44%
Thai Styrenics Co., Ltd.	90	26%
<b>Total</b>	<b>340</b>	<b>100%</b>

### Petrochemical Industry Outlook in 2011

In 2011, IMF forecasted that the global economy would expand by 4.4% on average. It expected Asian countries, such as China and India, to grow rapidly at 9.6% and 8.4% respectively. EU's economy would expand only 1.5% while the United States will enjoy 3% growth. However, various factors, including economic crisis in Europe, China's strict financial control, and political unrests in the Middle East are all crucial factors that may have adverse impact on the global economic development.

In Thailand the Office of the National Economic and Social Development Board forecasted that Thai economy would expand by 3.5-4.5%, a slight slowdown from 7.8% in 2010. This trend is a result of a slower global economic growth compared to 2010. In addition stronger baht and higher crude oil price would have some impact on production costs and exports.

In terms of demand for petrochemical products, the global economy is a crucial factor. China remains a significant resin importer. For competition in 2011, it is expected that demand and supply will depend mainly on oil price trend. It is likely that the Middle East and Asian countries, such as Saudi Arabia and Iran will not be able to start their production as planned. The Middle East in particular continues to suffer technical problems. In addition, the new tariff under AFTA framework which has been cut to 0% from January 1, 2010 has not yet had serious impact on pricing and local supplies.



## Investment Projects

IRPC's investment strategy is focused on enhancing the Company's capability and ability to address the rapidly changing economic environment, both in Thailand and the global arena. IRPC emphasized on growing our business sustainably while contributing and caring for the society and environment.

### Combined Heat and Power Project

In 2009, IRPC initiated an electricity generating and steam production project with production capacity to produce 220 megawatts of electricity and 420 tonnes of steam per hour. The plant is fired by natural gas rather than fuel oil, resulting in lower production costs and environmental impact. This project will be able to reduce carbon dioxide emission by 400,000 tonnes per year and sulfur dioxide emission by 40%. In addition, the project can be sold for carbon credit. At present, the Company has already distributed one out of six units of electricity into the power synchronization system since January 2011. The project is expected to be fully completed in mid 2011.



### Propylene Expansion Project

IRPC's production capacity of propylene, which is used as raw materials for polypropylene (PP) production, is 312,000 tonnes per year. However, the insufficient supply forced the Company to import some to feed the PP production. IRPC, therefore, stated expanding the production capacity of propylene by 100,000 tonnes per year. The expansion project will use metathesis technology, using byproducts from IRPC's existing plant as raw materials. The expansion project is scheduled for completion and commercial production in 2012.

### ABS Expansion Project (ABS6)

ABS is an engineering resin widely used in the manufacturing of auto parts and electrical appliances. Thai ABS Co Ltd, one of IRPC's subsidiaries, is currently the country's largest ABS producer in Thailand with its capacity of 117,000 tonnes per year. The Company has increased ABS production capacity by 61,000 tonnes per year to support the production of special grade ABS which has higher market demand. This project is scheduled for completion and commercial production in 2013.



## Phoenix Project

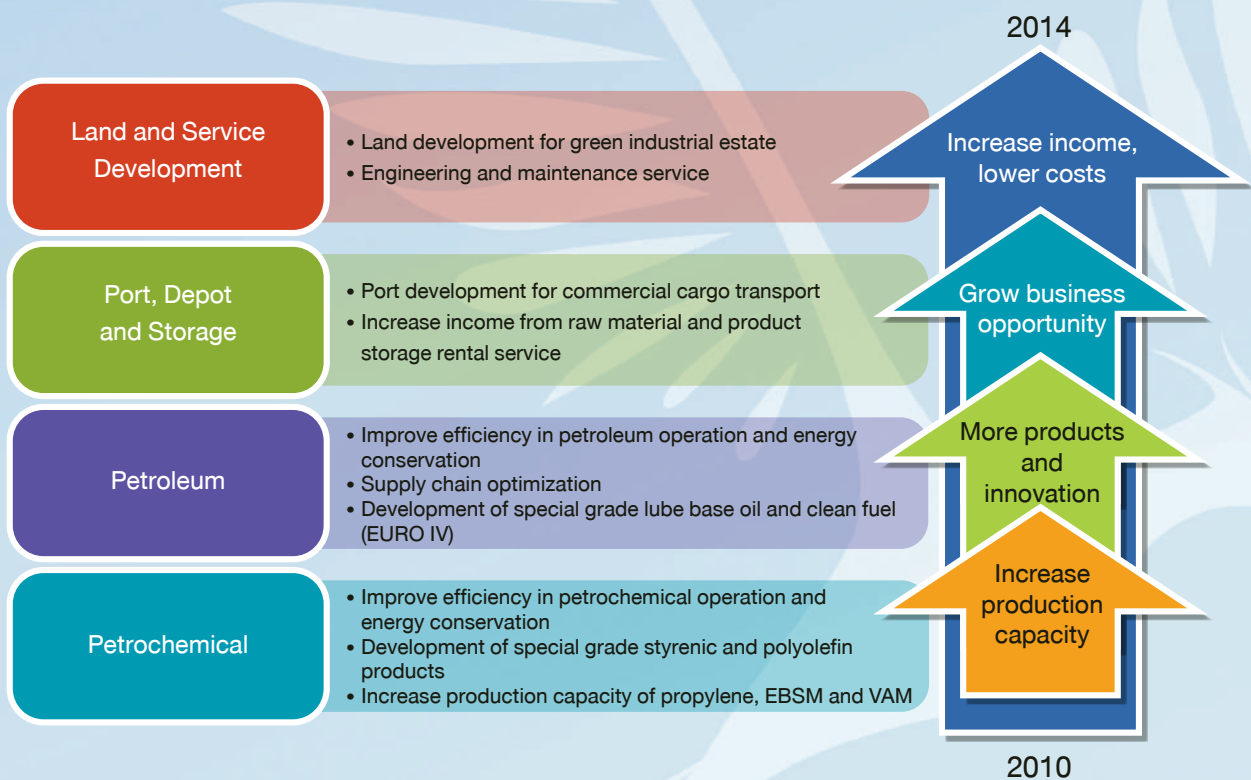
IRPC's five year strategic investment plan during 2010-2014, called "Phoenix Project" with USD 1,342 million investment value, is aimed to increasing the Company's competitiveness advantage and supporting sustainable growth. The Phoenix Project is expected to provide more than 20% return on investment, enabling the Company to become the top quartile integrated petrochemical complex in Asia by 2014. The five core strategies under this project are (1) Operational Excellence, (2) High Performance Organization, (3) Corporate Social Responsibility, (4) Product Value Added Creation, and (5) Innovation and Create New Businesses.

The Phoenix Project consists of 20 sub-projects, 13 out of which have already been approved by the Company's Board of Directors. The approved projects range from its core business to supporting businesses, including production efficiency development, assets management to increase revenue, product development for sustainable environment and production expansion for high profit products.



### Significant progress of Phoenix Project in the past year is as follows :

- Petroleum Operational Efficiency Project and Petrochemical Operational Efficiency Project both enabled the Company to reduce energy expenses while increasing production efficiency. The Company won three awards, including the presidential energy conservation award and two honorable mentions in the category of creative energy projects at the Thailand Energy Award 2010 organized by Ministry of Energy.
- Professional Engineering and Maintenance Service Project, the Company signed a Maintenance, Commissioning and Start-up Service Agreement with Philippines Polypropylene Incorporation Co.,Ltd that operates petrochemical business in the Philippines.
- Supply Chain Optimization Project, the Company hired Shell Global Solutions. as its consultant for its plan to increase efficiency of its supply chain management
- Sustainable Land Development Project in Rayong province, the Company has been granted a preliminary approval from the Industrial Estate of Thailand to develop an empty plot in Ban Khai District and Wang Chan District, Rayong province, into an ecological industrial estate.



## Management Structure

IRPC's management consists of the Board of Directors and 4 subcommittees namely the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee and the Corporate Governance Committee

### Authorized Directors

Authorized directors pursuant to the Affidavit of the Company as of January 25, 2011 are, Mr.Prasert Bunsumpun, Mr.Prajya Phinyawat, Mr.Virabongsa Ramangkura, Mr.Pailin Chuchottaworn, Mr.Norkun Sittiphong, Mr.Aree Wongsearay, Mr.Woothisarn Tanchai, Mrs.Jantima Sirisaengtaksin, Mr.Chitrapongse Kwangsukstith, Mr.Sommai Khowkachaporn, Mr.Pichai Chuhavajira. Any two of these eleven directors are authorized to sign together with Company seal affixed.

### Structure and qualification of the Board of Directors

1. The Board of Directors consists of not less than 5 but not more than 17 directors with at least half of the directors shall be permanent residents of The Kingdom of Thailand and all directors must hold eligible qualifications stipulated by Public Companies Limited Act.

2. Professional independent directors must not be less than one-third of the entire Board of Directors and there must be not less than 3 independent directors.

3. Director must not be over 70 years of age except for existing director who will remain in office till the end of the term.

4. The Board of Directors must consist of professional who possess knowledge, skills with well-versed experiences and expertise in various areas beneficial to the Company with at least 3 experts in petroleum and petrochemical business, 1 legal expert and 1 expert in accounting and finance.

5. Directors must possess suitable qualifications stipulated by the Public Company Limited Act and Securities and Exchange Commission's regulations. In addition, there must not be any inappropriate characteristics unbefitting as a management.







## Directors' Term and Retirement

In the annual general meeting of shareholders, one-third of the directors shall retire from the office. If the number of directors cannot be divided into 3 equal parts, the number of directors closest to one-third shall retire. In the first and second years after registration as a public company, directors to retire from office shall be selected by drawing lots. In the following years, directors who have served the longest terms shall retire from the office. Retiring directors in this manner are eligible for re-election.

## Directors' nomination, dismissal or retirement

Provisions stipulated in the Company's Articles of Association in relation to nomination, dismissal or retirement of the Board of Directors are defined as follows :

### Nomination of Director

1. The Shareholders' Meeting elects the directors according to the following rules :

(1) Each shareholder has one vote per one share.

(2) Voting can be done individually or for the entire number of directors needed to be elected as the Shareholders' Meeting sees fit. Voting individually or as a group, each shareholder shall exercise all votes applicable under (1) to elect one or more persons as directors. Shareholder cannot allocate only part of his or her votes to any nominee.

(3) The nominees shall be ranked according to the total numbers of votes received and top nominees in terms of the total numbers of votes cast shall be elected directors, but the numbers shall be equal to that of directors required. If the nominees received equal votes such that their election would result in a greater number of directors than required, the chairman of the meeting shall cast a vote to decide which one(s) is appointed.

2. The Board of Directors shall appoint any one of the director as Chairman. The Chairman shall make a final decision in case there is the equality number of the Board's voting. The Board shall appoint another director as Vice-Chairman who shall act as assigned by the Chairman, or on behalf of in case the Chairman is not able to perform the duty, or the Chairman's position is vacant.

3. If any vacancies on the Board of Directors exist on other reasons except for the term expiration, the Board shall select a qualified person with no legal accuses for consideration in the following Board of Directors' meeting. If the term of directorship remains less than two months, the newly elected director replacing the former shall stay in the office for the remaining term of the former. The resolution of the Board on this matter shall consist of not less than three-quarters votes of the numbers of the remaining directors.

4. If any vacancies on the Board of Directors are less than the number in the Board of Directors are less than the number in the Board's quorum, the existing Board shall only call, on behalf of the Board, for the shareholders' meeting to elect all the vacancies. The shareholders' meeting shall be held within one month since the date of vacancy. The newly director replacing the former shall stay in office for the remaining term of the former.

### Directors' Dismissal or Retirement

1. In every Annual General Meeting, one-third of the directors shall retire from office. The director whose term in the office expires may be re-elected.

2. Apart from the term expiration, terms of directorship shall be considered terminated on the reasons of death, resignation, disqualification, shareholders' resolution to remove a director or court order to remove a director.

3. Any director may resign, but shall submit a resignation letter to the Company. The resignation will be in effect on the date the Company receives the letter. The director who may resign shall also inform the resignation to the registrar.

4. In the shareholders' meeting, the shareholders may vote for the dismissal of any director from the office before his or her term of directorship expires, a three-quarters (3/4) vote of eligible shareholders present at the meeting shall be required, provided that the number of shares re-presented by the three-quarters vote is not less than half of the total number of shares represented by the total number of eligible shareholders present at the meeting.

### Directors' roles and responsibilities

The Board of Directors has authorities and responsibilities to manage overall operations in compliance with laws and regulations, company's objectives, the Company's Articles of Association as well as shareholders' resolutions.

However, the following matters require approval by a shareholders' meeting with the votes not less than three-fourth (3/4) of the total number of votes cast by the eligible shareholders present :

- 1) Sale or transfer of the entire or essential part of the Company's business to other parties.
- 2) Purchase or acquisition of business of other companies or other public companies.
- 3) Drafting, amending, or terminating contracts for the entire or essential part of the leasing contracts of the Company's business.
- 4) Assigning other parties to manage the Company's business
- 5) Merger or amalgamation of the Company's business with other parties for profit/loss sharing.
- 6) Amendment of the Company's Memorandum of Association or Articles of Association.
- 7) Increase or decrease of the registered capital and issuance of debenture.
- 8) Merger or dissolution of the Company

### Independent Director

Independent director refers to directors that are independent from major shareholder or group of major shareholders and management of the Company with the authority to provide independent opinion on any given duties by taking into account



equitable benefits of all minor shareholders and all stakeholders. The Company has 8 directors with qualifications stipulated by SEC and good corporate governance which is more than one-third of the Board of Directors.

Qualifications stipulated by the Company in relation to independent directors are more stringent than that of the SET and SEC as follows :

1. Hold not more than 0.5% of the voting shares in the Company, its subsidiaries, associates, or related companies, major shareholder or person with controlling power over the Company, whilst the number of shares held by any related person of such an independent director must also be counted.

2. Have not been or are not involved in the management, employees, wage earners, advisors on the payroll of the Company, its subsidiaries, associates, or equivalent companies, major shareholder or person with controlling power over the Company except when such qualifications have ended for more than two years, provided that such restriction or prohibition shall not apply to an independent director who has been a government authority, which is the major shareholder of the Company or the person having controlling power over the Company.

3. Are not related by blood or registration as parents, spouses, siblings, or children, spouses of any of the children to members of the management, major shareholders, those exercising control, or those about to be nominated as members of the management or those exercising control over the Company or subsidiaries.

4. Do not have and have not any business relationship with the Company, subsidiaries, associated companies, major shareholders or those exercising control over the Company in the manner in which independent discretion might be affected, and not be and have not been a substantial shareholder of or a person having power to control the person that has business relationship with the Company, subsidiaries, associated companies, major shareholders or those exercising control over the Company unless such an independent director has not been a person referred to above for at least two years. Business referred to in the first paragraph above shall meant to include any ordinary course of business or trade for business engagement purpose, any lease taking or lease out of any property, any transaction relating to asset or service, any financial support or acceptance of financial support by way of either borrowing, lending, guaranteeing or collateral providing or any other manner similar thereto that could result to an obligation required to be performed by the applicant or the party thereto in an amount of three percent or more of the net tangible asset value of the applicant or twenty million baht or more, whichever is lesser. In light of this, the method for calculating the value of connected transaction pursuant to the Capital Market Supervising Committee's Notification, Re: Regulations in respect of an Entering into a Connected Transaction shall be applied mutatis mutandis for the purpose of calculation of such amount of debt of the applicant, provided that the amount of the debt incurred during the past one year prior to the date on which such a business relationship with such a business relationship with such person exists;

5. Is not and has not been an auditor of the Company, subsidiary, associated company, major shareholder or those with controlling power over the Company and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any auditing firm or office in which the auditor of the Company, subsidiary, associated company, major shareholder or those with controlling power over the Company unless such an independent director has not been a person referred to above for at least two years.

6. Is not and has not been a professional advisor, including legal or financial advisor who obtains fee more than two million baht a year from the Company, subsidiary, associated company, major shareholder or those with controlling power over the company and is not and have not been a substantial shareholder of, a person having controlling power over , or a partner of any of such professional service provider firm or office, unless such an independent director has not been a person referred to above for at least two years.

7. Is not a director appointed as a representative of a director of the Company, a representative of a major shareholder of the Company, or a representative of a shareholder of the Company which is a related person of the major shareholder of the Company;

8. Does not engage in any business with similar nature as that of the Company and is competitive with the business of the Company, subsidiary or is not a substantial partner in a partnership, a director participating in any management role, an employee or officer, an advisor obtaining regular salary from, or a shareholder holding more than one percent of the voting shares of accompany engaging in any business with similar nature to the Company or subsidiary.

9. Does not have any characteristics which will inept the ability to provide independent comment or opinion on the operation of the Company.

In the case where there is a dismissal or retirement of independent director, the Company will foremost locate individual with suitable qualification to be an independent director for replacement including maintaining the aggregate number of independent directors in accordance with the regulations stipulated in the Capital Market Supervising Committee and Good Corporate Governance. However, in the event that other directors possess the stipulated qualification to be an independent director, the said director will automatically become an independent director of the Company.

## Sub-Committees

To foster good corporate governance, the board of directors has appointed 4 standing sub-committees. The Sub-committees' term of office are 3 years and has been assigned to consider and oversee specific critical issues, review and propose recommendations to the Board of Directors to ensure various activities are prudently and efficiently managed. The standing sub-committees are as follows :

### 1. The Executive Committee

The Executive Committee is appointed to facilitate effective management and overall operation of the Company in compliance with the Board of Directors' corporate policies, vision, mission and business ethics, corporate governance principle as well as taking current and future business risk managements into account. The Executive Committee consisted of the following :

- |                            |          |
|----------------------------|----------|
| 1. Mr.Norkun Sittiphong    | Chairman |
| 2. Mr.Prajya Phinyawat     | Director |
| 3. Mr.Sommai Khowkachaporn | Director |
| 4. Mr.Woothisarn Tanchai   | Director |
| 5. Mr.Pailin Chuchottaworn | Director |



Mr. Pailin Chuchottaworn, President serves as Secretary of the Executive Committee.

#### Duties and Responsibilities of the Executive Committee

- 1) To review the business plan and annual budget prior to propose to the Board of Directors.
- 2) To stipulate Company's financial and investment policy and investment direction aligned with the corporate policy as well as to approve investment criteria and investment project proposals in accordance with Company's regulations.
- 3) To consider and execute on critical matters related to the Company's business.
- 4) To review and provide recommendations to all matters proposing to the Board of Directors.
- 5) To consider the appointment of directors for direct and indirect subsidiaries or joint venture according to the Company's shareholding or shareholders agreements.
- 6) To consider other matters assigned by the Board of Directors.

#### 2. The Audit Committee

- |                         |          |
|-------------------------|----------|
| 1. Mr.Cherdpong Siriwit | Chairman |
| 2. Mr.Pongsvas Svasti   | Director |
| 3. Mrs.Puntip Surathin  | Director |

Chairman and members of the committee possess knowledge, skills with well-versed experiences and expertise in the area of accounting or finance. Miss Kanitta Subsoonthorn Office of Corporate Internal Audit serves as Secretary of the Audit Committee.

#### Duties and Responsibilities of the Audit Committee

The Audit Committee has duties and responsibilities assigned by the Board of Directors in accordance with Notification of the Stock Exchange of Thailand regards "Qualifications and Scope of Duties of the Audit Committee, 2008" as follows :

1. To verify the Company's quarter and annual financial statements to ensure accuracy and adequacy of disclosed information by cooperating with an external auditor and managements responsible for preparing financial reports.
2. To verify that the Company has proper and effective internal control and internal audit system and review the objectivity of the Internal Audit Committee.
3. To verify that the Company has duly complied with the Securities and Exchange Act, the Stock Exchange of Thailand's (SET)'s regulations and other laws relating to the Company's business.
4. To review, select and nominate Company's external and independent auditor and recommend its remunerations including participating in meeting with the auditor without the presence of management at least once a year.

5. To review the disclosure of the Company's connected transaction or any transaction with the possibility of conflict of interest to ensure the disclosure are in compliance with the rules and regulations prescribed by the Stock Exchange of Thailand and ascertain that the transactions are feasible and for the utmost benefit of the Company.

6. Prepare Audit Committee Activities Report signed by the Chairman of the Audit Committee to be disclosed in the Company's Annual Report consisting of no less than the following information :

6.1 Comment on the accuracy, comprehensiveness and credibility of the Company's financial reports.

6.2 Comment on the adequacy of the internal control system.

6.3 Comment on compliance with the rules and regulations prescribed by the Securities and Exchange Commission, the Stock Exchange of Thailand or any regulations in relation to the operation of the Company.

6.4 Comment on the compatibility of Internal Audit.

6.5 Comment on possible conflict of interest transaction.

6.6 The number of meetings held by Internal Audit Committee and participation of individual committee member.

6.7 Overall comment or observation on the charter performance complied by the Audit Committee.

6.8 Other information which shareholders or investors should be aware of under the duties and responsibilities assigned by the Board of Directors.

7. Perform any other duties assigned by the Board of Directors with approval of the Audit Committee.

### 3. The Nomination and Remuneration Committee

- |                                  |          |
|----------------------------------|----------|
| 1. Mr.Prasert Bunsumpun          | Chairman |
| 2. Mr.Chitrapongse Kwangsukstith | Director |
| 3. Mr.Woothisarn Tanchai         | Director |

Ms. Trithip Sivakriskul Executive Vice President Corporate Finance serves as Secretary of the Committee.

#### **Duties and Responsibilities of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has the following duties and responsibilities :

1. To select qualified candidates for nomination as new directors or Chief Executive Officer as well as present opinions to the Board of Directors to propose nomination of directors for approval at the shareholders' annual general meeting.

2. To establish the procedure and criteria for the nomination of directors and Chief Executive Officer.

3. To consider the director remunerations to be proposed for approval at the shareholders' Annual General Meeting.

4. To access and review Chief Executive Officer's remunerations.



#### 4. The Corporate Governance Committee

- |                                |          |
|--------------------------------|----------|
| 1. Mrs.Jantima Sirisaengtaksin | Chairman |
| 2. Mr.Prajya Phinyawat         | Director |
| 3. Mr.Somma Khowkachaporn      | Director |

Mrs. Sumon Rungkasiri Executive Vice President Corporate Affairs serves as Secretary of the Committee.

#### Duties and Responsibilities of the Good Corporate Governance Committee

The Corporate Governance Committee has the following duties and responsibilities :

1. To establish Company's corporate governance policy as a framework for good corporate governance system development working group.
2. To propose good corporate governance practice to the Company's Board of Directors.
3. To monitor and supervise Company's Board of Directors and management team's compliance to the principles of the good corporate governance.
4. To provide recommendations regarding the good corporate governance to the Company's Board of Directors.
5. To propose and review good corporate governance framework against international standard to the Company's Board of Directors.

Furthermore, the Board of Directors has designated Risk Management Committee at management level to review and monitor risks e.g. Financial Risk, Operational Risk, Business Risk and Event Risk etc. The Risk Management Committee is responsible to provide risk analysis and assessment report, to identify potential risks exposed to Company's business evaluate their severity and present risk management report to the Audit Committee to consider and review prior to proposing to the Board of Directors.

#### Nomination of Directors and Executives

The Company has appointed the Nomination and Remuneration Committee to consider, select and review qualified candidates for nomination as directors and Advisor to the Board of Directors. The qualified candidates shall hold the following qualifications :

1. Suitable qualifications stipulated by the Public Company Limited Act, SEC and SET's regulations and the Company's Corporate Governance Policy
2. Possess knowledge, skills with well-versed experiences and expertise in areas beneficial to the Company
3. Possess characteristics complementary to and supporting corporate governance to create value for the Company including ethics, independence, assertiveness, creativity, duty of care and duty of loyalty, dedication, a suitable age, healthiness, good mental spirit, meeting preparation habits, and social acceptance, etc.

The Company has no policy to refrain shareholders from nominating individuals for nomination as directors.

## Meeting Attendance of the Board of Directors and Sub-committees in 2010

(Unit : Time)

Name	Board of Directors (Total 17 directors) Total 15 times/year	The Executive Committee (Total 5 directors) Total 12 times/year	Audit Committee (Total 3 directors) Total 14 times/year	Corporate Governance Committee (Total 3 directors) Total 3 times/year	Nomination and Remuneration Committee (Total 3 directors) Total 4 times/year
1 Mr.Norkun Sittiphong	15/15	12/12			
2 Mr.Prasert Bunsumpun	12/15				4/4
3 Mr.Aree Wongsearay	13/15				
4 Mr.Prajya Phinyawat	15/15	10/12		3/3	
5 Mr.Virabongsa Ramangkura	15/15				
6 Mrs.Jantima Sirisaengtaksin	15/15			3/3	
7 Mrs.Puntip Surathin	15/15		14/14		
8 Mr.Somma Khowkachaporn	15/15	12/12		3/3	
9 Mr.Lersuk Chuladesa	10/15				
10 Mr.Pongvas Svasti	15/15		14/14		
11 Mr.Cherdpong Siriwit	14/15		14/14		
12 Mr.Woothisarn Tanchai	15/15	12/12			4/4
13 Mr.Chitrapongse Kwangsukstith	14/15				1/1
14 Mr.Pichai Chuhavajira	12/15				
15 Miss Sopawadee Lertmanaschai	11/12				
16 Mr.Chulayuth Hirunyavasit	11/11				
17 Mr.Pailin Chuchottaworn	15/15	12/12			
18 Mr.Pala Sookawesh <sup>1</sup>	3/4				2/3
19 Miss Variya Wongprecha <sup>2</sup>	2/2				

Note : <sup>1</sup> Mr.Pala Sookawesh retired from directorship due to ending of term of office according to resolution of 2010 Annual General Meeting of Shareholders on 8 April 2010

<sup>2</sup> Miss Variya Wongprecha tendered her resignation as directorship of the Company effectively February 22, 2010



## Directors' Remuneration

The Board of Directors has appointed a Nomination and Remuneration Committee to consider the guidelines for the remuneration of the Company's directors and members of the sub-committees to propose to the Board of Directors. The criteria for remuneration are as follows :

1. The Remuneration divided into 2 parts; Monthly Remuneration and Meeting Allowance.
2. The Remuneration shall be fair and suitable for the responsibilities and the performance of the director as well as the Company's operating performance and it should be comparable to other companies in the same industry with similar size and business risks.
3. Chairman of the Board of Directors and Chairman of Sub-committees shall be entitled to additional 30% remuneration of those paid to those of members.
4. Sub-committee, namely Executive Committee, Audit Committee, Nomination and Remuneration Committee and Good Corporate Governance Committee and future sub-committee that might be appointed in the future shall be entitled to only Meeting Allowance for the meeting attended. The Meeting Allowance Rate shall be fair and suitable for the responsibilities and comparable to other companies in the same industry with similar size and business risks.

The 2010 Annual General Meeting held on 8 April 2010 approved the remuneration of Board of Directors and sub-committees at the same rate of those of 2009 as following details :

1. Board of Directors and Sub-Committees Remuneration in 2010 :

Committee	Monthly remuneration/person	Meeting allowances/person
1. Board of Directors		
Chairman	60,000 Baht	60,000 Baht
Director	45,000 Baht	45,000 Baht
2. Sub-committee, namely Executive Committee, Audit Committee, Nomination and Remuneration Committee and Corporate Governance Committee		
Chairman	-	60,000 Baht
Director	-	45,000 Baht

2. Bonus for Directors : To be determined by taking into account, reference base of other companies in the same industry as well as business expansion and profit growth.

The Company paid bonus of 24 million baht to the Board of Director for the performance of 2009 or 0.44% of the company's net profit. Each director's bonus payment was based on meeting attendance record. Chairman of the Board of Director received more additional 30% remuneration than the company's directors.

The remuneration received by each director can be summarized as follows :

(Unit : Baht)

No.	Name	Meeting Monthly Remuneration	Meeting Allowances for Board of Director	Allowances for Sub-Committee Meeting	Bonus <sup>1</sup>	Total Remuneration
1	Mr.Norkun Sittiphong	720,000	900,000	720,000	1,365,181	3,705,181
2	Mr.Prasert Bunsumpun	540,000	540,000	240,000	1,241,238	2,561,238
3	Mr.Aree Wongsearay	540,000	585,000		1,362,668	2,487,668
4	Mr.Prajya Phinyawat	540,000	675,000	585,000	1,483,069	3,283,069
5	Mr.Virabongsa Ramangkura	540,000	675,000		1,483,069	2,698,069
6	Mrs.Jantima Sirisaengtaksin	540,000	675,000	180,000	1,483,069	2,878,069
7	Mrs.Puntip Surathin	540,000	675,000	630,000	1,483,069	3,328,069
8	Mr.Somma Khowkachaporn	540,000	675,000	675,000	1,483,069	3,373,069
9	Mr.Lersuk Chuladesa	540,000	450,000		1,241,238	2,231,238
10	Mr.Pongsvas Svasti	540,000	675,000	630,000	1,050,513	2,895,513
11	Mr.Cherdpong Siriwit	540,000	630,000	840,000	1,050,513	3,060,513
12	Mr.Woothisarn Tanchai	540,000	675,000	720,000	1,050,513	2,985,513
13	Mr.Chitrapongse Kwangsukstith	540,000	630,000	45,000	937,483	2,152,483
14	Mr.Pichai Chunhavajira	540,000	540,000		566,000	1,646,000
15	Miss Sopawadee Lertmanaschai	428,226	495,000			923,226
16	Mr.Chulayuth Hirunyavasit	394,500	495,000			889,500
17	Mr.Pailin Chuchottaworn	540,000	675,000	540,000	1,483,069	3,238,069

#### Ex-Directors in 2010

18	Mr.Pala Sookawesh <sup>2</sup>	145,500	135,000	90,000	1,362,668	1,733,168
19	Miss Variya Wongprecha <sup>3</sup>	78,750	90,000		566,000	734,750

#### Ex-Directors in 2009

20	Gen. Mongkon Ampornpisit <sup>4</sup>				718,754	718,754
21	Mr.Visit Tantisunthorn <sup>5</sup>				426,036	426,036
22	Pol.Gen.Sereepisut Taameeyaves <sup>6</sup>				432,556	432,556
23	Mr. Sangiam Santad <sup>6</sup>				432,556	432,556
24	Mr. Rutt Phanijphand <sup>6</sup>				432,556	432,556

(Unit : Baht)

No.	Name	Meeting Monthly Remuneration	Meeting Allowances for Board of Director	Allowances for Sub-Committee Meeting	Bonus <sup>1</sup>	Total Remuneration
25	Mr.Chaivat Churitti <sup>6</sup>				432,556	432,556
26	Mr.Tienchai Chongpeerapieng <sup>6</sup>				432,556	432,556
Total		9,326,976	10,890,000	5,895,000	24,000,000	50,111,976

- Note**
- <sup>1</sup> The 2010 company paid bonus to each director for the performance of 2009.
  - <sup>2</sup> Mr.Pala Sookawesh retired from directorship due to ending of term of office according to resolution of 2010 Annual General Meeting of Shareholders on 8 April 2010.
  - <sup>3</sup> Miss Variya Wongprecha tendered her resignation as directorship of the Company effectively February 22, 2010.
  - <sup>4</sup> Gen.Mongkon Ampornpisit tendered his resignation as directorship of the Company effectively May 12, 2009.
  - <sup>5</sup> Mr.Visit Tantisunthorn tendered his resignation as directorship of the Company effectively June 2, 2009.
  - <sup>6</sup> Pol.Gen.Sereepisut Taemeeyaves, Mr.Sangiam Santad, Mr.Rutt Phanijphand, Mr.Chaivat Churitti, Mr.Tienchai Chongpeerapieng retired from directorship due to ending of term of office according to resolution of 2009 annual general meeting of shareholders on 8 April 2009.

### Number of Shares and Warrants held by the Directors

No.	Name	As of 31 December 2009 Paid-up Capital 19,829,150,400 Baht	As of 31 December 2010 Paid-up Capital 20,169,813,900 Baht	Number of share change during the year
		% Shareholding / Number of share	% Shareholding / Number of share	
1	Mr.Norkun Sittiphong	-	-	-
2	Mr.Prasert Bunsumpun	-	-	-
3	Mr.Aree Wongsearay	-	-	-
4	Mr.Prajya Phinywat	0.0000403% 8,000	0.0000397% 8,000	-
5	Mr.Virabongsa Ramangkura	-	-	-
6	Mrs.Jantima Sirisaengtaksin	0.0008005% 158,742	0.0007870% 158,742	-
7	Mrs.Puntip Surathin	-	-	-
8	Mr.Sommai Khowkachaporn	-	-	-
9	Mr.Lersuk Chuladesa	0.0000019% 375	0.0000019% 375	-
10	Mr.Pongsvas Svasti	-	-	-

No.	Name	As of 31 December 2009	As of 31 December 2010	Number of share change during the year
		Paid-up Capital 19,829,150,400 Baht	Paid-up Capital 20,169,813,900 Baht	
		% Shareholding / Number of share	% Shareholding / Number of share	
11	Mr.Cherdpong Siriwit	-	-	-
12	Mr.Woothisarn Tanchai	-	-	-
13	Mr.Chitrapongse Kwangsukstith	-	-	-
14	Mr.Pichai Chunchavajira	-	-	-
15	Mr.Chulayuth Hirunyavasi	-	-	-
16	Miss Sopawadee Lertmanaschai	-	-	-
17	Mr.Pailin Chuchottaworn	0.0005043% 100,000	0.0004958% 100,000	-

## Management Remuneration

In the year 2010, 6 managements received remuneration totalled Baht 64.73 million. This comprises remuneration in the forms of salaries of Baht 49.80 million, bonus of Baht 13.49 million, provident fund contribution of Baht 1.42 million and others Baht 0.01 million.

## Number of Shares and Warrants held by the Management

No.	Name	As of 31 December 2009	As of 31 December 2010	Number of share change during the year
		Paid-up Capital 19,829,150,400 Baht	Paid-up Capital 20,169,813,900 Baht	
		% Shareholding / Number of share	% Shareholding / Number of share	
1	Mr. Banlue Chantadisai	-	-	-
2	Mr.Atikom Terbsiri	-	-	-
3	Mr.Sahaschai Panichapong	-	-	-
4	Mr.Manit Suthaporn	0.0000003% 50	0.0000002% 50	-
5	Mr.Nuntachai Prapawatwech	0.0007565% 150,000	0.0007437% 150,000	-
6	Miss Oravan Leelarasamee	-	-	-
7	Miss Trithip Sivakrskul	-	-	-

## Shareholding Structure

IRPC's top 10 shareholders at latest share registration book closing date for dividend payment on 7 September 2010 are as follows :

Name	Number of shares	% Shareholding
1 PTT Public Company Limited	7,273,466,200	36.15
2 Government Savings Bank	1,950,000,000	9.69
3 GPF Strategic Investment Fund	1,183,796,970	5.88
4 Vayupak Fund 1 by MFC Asset Management	712,558,650	3.54
5 Vayupak Fund 1 by Krung Thai Asset Management	712,558,650	3.54
6 Bangkok Bank Public Company Limited	504,906,708	2.51
7 Thai NDVR Company Limited	428,492,623	2.13
8 State Street Bank and Trust Company	391,269,918	1.94
9 HSBC (Singapore) Nominees PTE LTD	302,785,937	1.51
10 Thailand Prosperity Fund	182,141,000	0.91



36.15%	PTT Public Company Limited
9.69%	Government Savings Bank
5.88%	GPF Strategic Investment Fund
7.08%	Vayupak Fund
41.20%	Others

## Dividend Policy

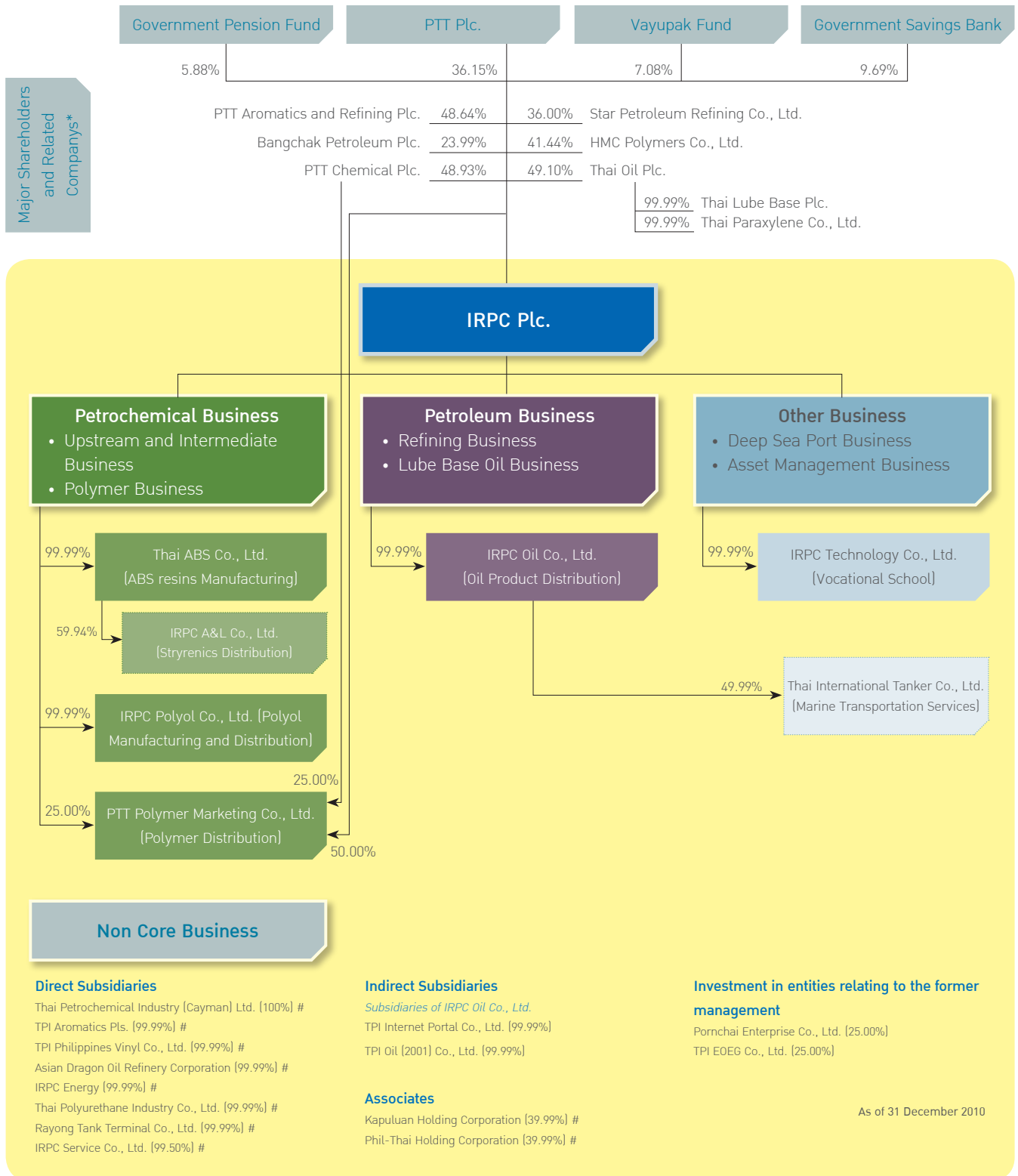
### IRPC Public Company Limited

IRPC has established a policy to pay dividend of at least 25 percent of the Company's annual net profit after taxes and all reserves stipulated in the Company's Articles Association and applicable laws. Payment of such dividend is subject to Company's investment plan and other necessities as the Board of Directors deem appropriate.

### Subsidiaries

No dividend policy assigned for subsidiaries. Each subsidiary may consider paying dividend on a case-by-case basis subject to its cashflows and/or net profit after taxes and all reserves stipulated by applicable laws comparing with its investment plan and other necessities as the Board of Directors deem appropriate.

## Business Structure and Shareholding

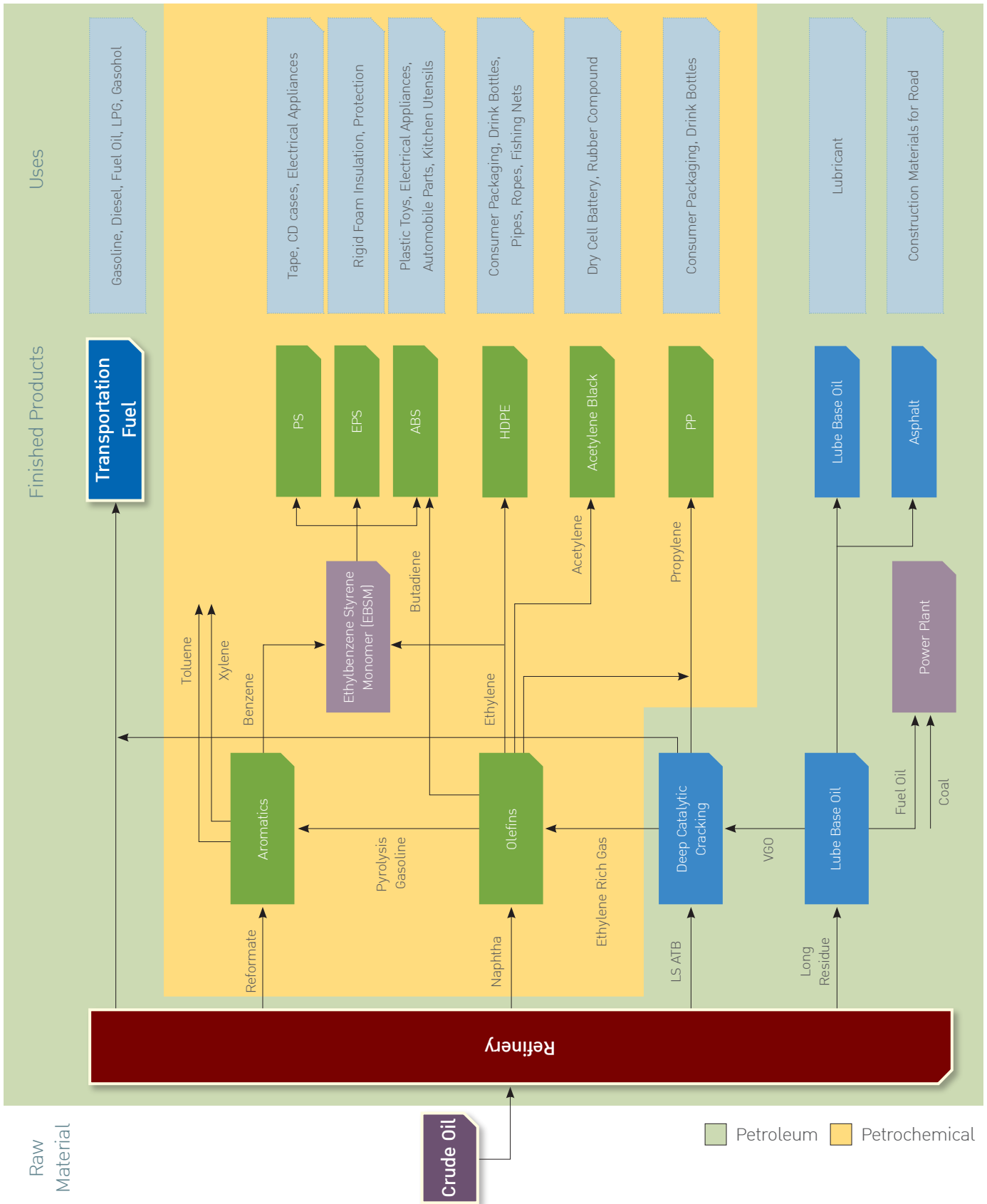


Remark : # Company does not operate the business

\* Related Company that operates business similar to or related to the Company. (shareholding as of September 2010)



# Integrated Refinery and Petrochemical Complex Flow Chart



## Management Discussion and Analysis

### Operating Performance

(unit : million baht)

Consolidated Income Statement	2010	2009	Change	% Change
Sales Revenue	221,611	166,036	55,575	33.47%
EBITDA before LCM	8,322	4,683	3,638	77.68%
EBITDA after LCM	8,322	9,728	(1,407)	(14.46%)
Net Profit	6,183	5,415	767	14.17%
Earning per share (baht)	0.31	0.27	0.03	12.24%

Thailand's overall economy expanded 10.6 per cent in the first half of 2010. Despite the global economic crisis and political unrests in the country, the National Economic and Social Development Board announced the average GDP for the year was 7.8 per cent in accordance with growth in domestic and international demand. Oil price constantly increased due to global economic recovery trend with Dubai average oil price of USD 78 per barrel, an increase of USD 62 per barrel against 2009. Thai baht however became stronger throughout the year to stand at Baht 30 per dollar, or 10 per cent stronger, following the economic crisis in the US.

In 2010, net profit of IRPC and its subsidiaries was Baht 6,138 million, or Baht 0.31 per share, which is Baht 767 million or 14.2 per cent increase from 2009. LCM reversal of Baht 5,045 million was recorded because of significant increase in crude oil which rose from USD 36 per barrel at the end of 2008 to USD 76 per barrel by the end of 2009. In 2010, the Company however did not record LCM reversal. Regardless of LCM reversal and the fact that IRPC had three unplanned maintenances due to interrupted power distribution, the Company's EBITDA was Baht 8,322 million in 2010, or an increase of 78 per cent from Baht 3,638 million against the previous year. This was due to higher gross refining margin, the product to feed margin and the Phoenix Project, which are investment projects during 2010-2014, approximately contributing return of Baht 2,000 million to the Company. In 2010, the Company had three unplanned shutdown due to interruption in the Provincial Electricity Authority's power distribution system. However, the 200 MW Combined Heat and Power Plant Project completed within mid-2011, will help the electricity system more stable and could save significant cost from switching from fuel oil to natural gas as the main feedstock.

Sales revenue in 2010 was Baht 221,611 million, a 33 per cent increase from 2009, according to higher sales volume and selling price. Sales volume increase was driven by higher production capacity while selling price was higher based on rising crude oil price. Other income was Baht 1,857 million, or Baht 1,692 million increase. Due to stronger baht, IRPC had foreign exchange gain of Baht 968 million. Gain from changing in fair value of investments in trading was Baht 639 million because of an increase in investment value in the stock market.

Selling expenses were Baht 1,141 million, increasing by 7 per cent due to higher sales volume. Administration expenses were Baht 3,115 million, or 21 per cent increase from higher expenses related to employees and consultants. Directors and



executives remuneration was Baht 126 million, an increase of Baht 34 million following Baht 10 million increase in directors and executives remuneration and Baht 24 million bonus paid to the Board of Directors' members.

Financial costs were Baht 533 million, decrease from last year's Baht 453 million or 46 per cent. A major reason is that the USD 238 million debentures has lower value in Thai baht against the stronger Thai currency. The company recorded Baht 766 million of foreign gain, enabling the company to pay Baht 89 million less loan interests. Share of profits from investment for the equity method was Baht 29 million, from its investment in PTT Polymer Marketing Co Ltd, and Baht 130 million income tax, which came from its subsidiaries. However, IRPC's loss carry was used for tax benefit.

### Production

	Unit	2010				2010	2009
		1Q10	2Q10	3Q10	4Q10		
Crude intake	KBD	174	172	173	179	174	142

### Utilization Rate

Refinery	%	81	80	80	83	81	66
Olefins	%	100	93	92	100	96	99
Polymers	%	94	93	88	97	93	95

In 2010, the Company's average crude intake was 174 KBD, an 81 per cent increase from last year's 142 KBD or 66 per cent as a result of higher demand, gross refining margin and product to feed margin of petrochemical products. In 2010, the Company had three unplanned shutdown due to interruption in the Provincial Electricity Authority's power distribution system.

The Company and its subsidiaries' total sales revenue was Baht 221,611 million. This included petroleum product sales (75 per cent), petrochemical product sales (24 per cent) and other businesses (1 per cent).

**Petroleum Business** : Total petroleum sales in 2010 were Baht 166,032 million, an increase of Baht 47,214 million or 40 per cent increase, due to the Company increased crude run by 23 per cent. In 2010 and 2009, IRPC's utilization rate of oil refining was 174 and 142 KBD respectively. Its total diesel oil sales were Baht 87,828 million, a 43 per cent increase resulting from 68 per cent growth in sales for export. Heavy naphtha sales were Baht 11,835 million, which significantly increased by 161 per cent because the Company bought light naphtha to substitute heavy naphtha in order to maximize raw material efficiency.

**Petrochemical Business** : Average naphtha price in 2010 was USD 726 per ton, or 5 per cent increase against the previous year. Its petrochemical product sales were Baht 52,198 million, or 17 per cent increase from last year's Baht 7,685 million. Polymers sales were Baht 36,271 million, an increase of 14 per cent against that of the previous year due to higher sales price. Sales volume, however, dropped by 2 per cent as the polyolefin plant shutdown its production capacity following the raw material shortage caused by power blackout.

**Other Businesses** : In 2010, other income of Baht 3,381 million included electricity fee, piers and other facilities, an increase of Baht 676 million or 25 per cent over the past year.

## Financial Position

### Assets

The assets of the Company and its subsidiaries at the end of 2010 were Baht 120,458 million, an increase of Baht 6,264 million or 5 per cent increase from the end of 2009. The reasons are as follows :

**Current Assets** : IRPC's current assets increased by 2 per cent to Baht 1,152 million because its trade account receivables increased by Baht 3,029 million due to higher in selling price and sales volume while inventory reduced by Baht 533 million.

**Non-Current Assets** : the Company's non-current assets increased by Baht 5,112 million or 8 per cent, due to an increase of Baht 3,293 million increase in long-term loans extended to its subsidiaries. This is a result of an exclusion of the financial statement of one of its subsidiaries, TPI Aromatics Plc, because the subsidiary was filed for bankruptcy in 2010 and its operations was managed by official receivers. In addition, its land, building and equipment value increased by Baht 1,886 million, from an acquisition of long-term assets for various investment projects.

### Liabilities

The Liabilities of the Company and its subsidiaries were Baht 44,870 million at the end of 2010, representing 6 per cent or Baht 2,586 million increase. The major reason is Baht 2,255 million increase in long-term loan granted by related companies because the Company's consolidated financial statement did not include that of TPI Aromatics Plc. Long-term loan also increased by Baht 1,977 million as the Company disbursed Baht 2,737 million long-term loans for its investment project. At the same time, the stronger baht has reduced the value of its debentures issued in USD currency by Baht 760 million.

### Shareholders' Equity

At the end of 2010, shareholders' equity equaled Baht 75,535 million, or Baht 3,682 million or 5 per cent increase from the end of 2009. This is a result from net profit of Baht 6,183 million and the exercise of ESOP which increased its paid up capital by Baht 341 million with Baht 640 million share premium. The Company also receives profit from change in fair value of marketable securities-available for sales of Baht 13 million. In the mean time, items that reduced equity included dividend payment for the second half of 2009 at Baht 0.10 per share and interim dividend payment for the first half of 2010 at Baht 0.08 per share, totaling Baht 3,600 million.

### Liquidity

The Company's beginning cash was Baht 5,163 million. In 2010 while cash decreased by Baht 393 million because the Company had net cash inflow from operation activities at Baht 6,326 million. Cash spent on investment activities was Baht 6,088 million, which included Baht 6,173 million spending on fixed assets acquisition, especially spending on various investment projects namely Combined Heat and Power Plant Project, Tail Gas Treating Unit and Safety Improvement Project, Propylene Expansion Project and Phoenix Project etc.

Net cash outflow from financing activities was Baht 630 million, including Baht 3,600 million dividend payment, Baht 1,336 million paid interest, Baht 2,737 million short term loans from financial institutions and cash received from ESOP Baht 1,086 million. Therefore, the Company's ending cash is Baht 4,770 million.

### Auditor's Remuneration

In 2010, the Company and its subsidiaries paid Baht 6.52 million audit fee to Pricewaterhouse Coopers ABS Limited which classified by Baht 5.20 million for the Company's audit fee and Baht 1.61 million for its subsidiaries' audit fee. The Company also paid Baht 7.07 million non-audit fee for consultancy in various projects.

## Risk factors

IRPC continues to give priority to organization-wide risk management based on the Committee of Sponsoring Organization (COSO)'s risk management policy to ensure that the business can achieve its goal. A Risk Management Unit has been set up to translate risk management policies into an actual implementation as well as to gather and analyze risks from every unit to incorporate them as part of the risk mitigation plan before presenting the risk management results to the Risk Management Committee and the Audit Committee on a quarterly basis.

In 2010, IRPC developed our risk management system to suit the organization's goals. A risk management consulting firm was hired to assess the firm's risk management system and to advise on how to enhance the risk management system to achieve the international standard so as to accommodate the firm's business growth. In addition, IRPC also coordinated with various PTT subsidiaries and affiliates to exchange risk management experiences and information in order to enrich the firm's risk management capacity so that it remains as one of the leading companies known for its risk management efficiency.

### 1. Feedstock and product price fluctuation

IRPC's major raw material in its production process both in the petroleum and petrochemical industries is crude oil. The world prices of crude oil therefore tend to have a large impact to our production costs. In 2010, Dubai oil price was averaged at US\$ 78 per barrel, up from 2009's average of US\$ 62 per barrel. However, crude oil price was stable in the first quarter before falling down in the second quarter as economic stimulus measures came to an end while Europe's public debt crisis was escalating. However, in the third and fourth quarter of the year, the crude oil price rose as US dollar weakened to stand at US\$ 87 per barrel after the economic growth rate turned out to be much better than expected and extreme cold weather both in Europe and the US. Various events during the year ranging from the earthquake in Haiti, the oil spill in New Mexico or the Iran boycott especially the US's economic stimulus package made oil price quite volatile throughout the year and this was considered a major risk factor for our organization as it had a material impact to our financial status and performances.

#### Risk Mitigation Measures

IRPC continues to collaborate with companies within the PTT Group to reduce costs and increase bargaining power. The Hedging Committee has been set up to supervise actions such as the use of



financial derivatives to mitigate or prevent risk from changes of oil and other by-product prices within the company's policy framework. In addition, the Price Risk Work Group has also been set up to monitor market situations and conduct price analysis for a joint risk management effort within the affiliated companies under the so-called Oil Supply Chain Integration Management (OIM) and the Petrochemical Integration Management (PIM) projects. In addition, IRPC tried to increase efficiency as to when it should buy raw materials, start production and sell products by using the Linear Programming to find the best possible production plan in various circumstances in a very quick and effective manner. As for our monitoring effort, IRPC has created a set of tools and processes to monitor profits and losses of various business groups of our company on a daily basis in order to reduce loss and increase an opportunity to sell products quickly and timely upon change.

## 2. Foreign Exchange Risk

2010 was a year of exchange risk volatility due to the economic crisis in the US and European Union, making Thai Baht much appreciated compared to the US. This exposed us to risk in selling products in US currency that were later converted into Thai Baht as we received fewer Thai Baht at the end. However, this risk was set-off by our import of raw materials from overseas where payment was made using fewer Thai Baht as well.

As for the risk associated with our long-term US\$ 238 million loan due for payment in 2017, while the loan is not yet due for payment, IRPC may be exposed to foreign exchange risk resulted from the translation cost that could be a profit or loss resulted from a conversion of a foreign currency into Thai Baht. This however had no effect to our cashflow.

### Risk Mitigation Measures

IRPC managed the foreign exchange risk through the natural hedge method, which means trying to achieve a balance of cashflow received and paid in a foreign currency resulted from our normal business operation where we earn both income and pay our raw material expenses in the US currency. While the natural hedge helps reducing the foreign exchange risk, we also engage in forward exchange and use other appropriate financial instruments to reduce the risk.

## 3. Operation Risk

In the production process of our group of companies, a hiccup caused by internal or external factor such as machine breakdown or electricity blackout or human error can take place. These factors cannot be anticipated in advance. That's why we are confronting with risk associated with production planning, product delivery to customers and asset safety, which may materially affect IRPC's business performances.

### Risk Mitigation Measures

So far, we have improved our production efficiency and reduce production costs in various projects, which included the Petrochem Operation and Energy Efficiency projects, the Petroleum Operation and Energy Efficiency projects and the Plant Reliability Improvement. IRPC also enhanced operation skills and capability of our personnel, improved the transmission system and the electricity management system and built the Combined Heat and Power Project (CHP) to increase stability and efficiency of the electricity system of our plant.



## 4. Environmental and Community Risk

IRPC pursues our business while being aware of the importance of the environment and community wellbeing. Our production process may affect the quality of air and water around the plant, which in term can affect the community livelihood and the ecology around the site. This may also impact the understanding and cooperation between the company and surrounding communities.

### Risk Mitigation Measures

To protect the environment, IRPC has initiated several projects to maintain the environment and reduce effects to surrounding communities. This includes an implementation of the ISO 14001 throughout the organization. The ISO 14001 is an international standard system recognized commercially and socially. The system allows IRPC to set up a policy, objectives, requirements and other environmental regulations as well as enables us to control and resolve problems which may affect the environment and other work processes. In addition, we have raised the standard of fuel used in our production process to be higher than the legal requirements for a better living condition of communities around the plant while trying to create a sustainable process to reduce the environmental and community risk. We also organize CSR projects regularly and on an ongoing basis to rehabilitate the environment and promote a strong relationship between the communities and other stakeholders.

## 5. Regulation Risk

IRPC has invested in various projects, most of which require the Environmental Impact Assessment (EIA) as well as the Health Impact Assessment (HIA) before the projects with possible health and environmental impacts could start and this must be done strictly according to legal requirements. In addition, we are also confronting with the Registration Evaluation and Authorization of Chemicals (REACH) Regulations imposed by the European Union. REACH regulate chemicals produced, sold or to be used in the EU Zone, which truly affects our products destined for the EU market.

### Risk Mitigation Measures

To prevent risk from new project investments that require legal compliance in both the EIA and HIA issues, IRPC plans its projects with prudence and strict legal compliance. Communications and coordination are constantly made with the communities to reduce both the environmental and health impacts. Several projects have been in progress as planned. It's our intention to make sure that every step of a project complies with the law and takes the community and the environment into consideration. As for our risk exposed to the EU's REACH regulations, we have set up a working committee to register chemicals within the deadline and so far, we have managed to do so in several chemical products.

## Human Resources Management

IRPC Plc. realizes that human resource development is very important and has therefore continuously built strong foundation and developed its human resource management system according to the generally accepted international standards. The Company emphasizes “human capital” which is regarded as a vital asset that creates higher value to the Company. The continuous development will help make our people the key driver that enables the Company to achieve its goal of being a high performance organization, increase competitiveness and realizes its vision of being the “Top Quartile Integrated Petrochemical Complex in Asia in 2014”.

In 2010, the Company developed and upgraded its human resources management system in order to increase efficiency. Some of the initiatives are the reorganization of job positioning and manning appropriately, in accordance to business condition, vision and management by reviewing and improving functional and job description, job analysis and manning to be in line with strategy and corporate structure. Employees’ competency has been developed in order to increase value and ensure that employees have sufficient knowledge and skills and are capable and comply with ethical standards. At the same time, the Company opens for opportunity for employees’ development and career development in parallel to the Company’s success.

### 1. Competency Development

The Company has prepared the competency system to support human resource development. Employees are trained to ensure that they have sufficient knowledge, capability and skills to perform their work efficiently within the scope of their responsibility. Competency and leadership assessment was introduced in mid-level management and used to support human resource management in other areas, such as individual development plans (IDPS) and recruitment.

### 2. Career Development and Management

The Company has provided framework for career path for employees in different functions, basic qualifications for each job position, career path, and communication channel improvement to support career path and career planning in order to allow competent employees to constantly develop themselves and create greater value to the organization. The Capability Cluster Committee was set up to analyze, plan and formulate direction for employee development in each function to achieve the human resource development goal according to the vision of Dr. Pailin Chuchottaworn,





President, who believes that “every person has the potential to grow and raise to the highest possible position depending on his or her competency and intention.”

### 3. Performance Management System

The Company has implemented the Management by Objective appraisal system. Key performance index (KPI) for employees is set in accordance with corporate KPI. This allows employees to realize the importance of the target that they set by themselves. The target is used as performance and competency appraisal criteria. Result of the performance appraisal will affect employees' remuneration and career path.

### 4. Training and Development

Training is crucial to employee's continuous and systematic competency and capability development. Training programs, designed to support the Company's human resource development plan, are included in the annual human resource development and training plan. Competency development plan is also designed to support individual competency development activities, such as e-learning training that enables the Company to achieve human resource development efficiency at low cost.

### 5. Knowledge Management

The Company has created a critical data storage system. The Knowledge Management Committee was established to encourage the management and employees to store and maintain information and knowledge in systematic manner. Employees can also have access and utilize the system, enabling them to learn and effectively solve problems. Through this learning system, employees are capable of maintaining self development which is a crucial factor driving the Company towards being a knowledge-based organization and achieving its goals in the future.

### 6. Leadership Development

Executive Leadership Development Program (Ex-LDP) was implemented to enable the management (director level upwards) to have enhanced leadership skills that better address the Company's corporate strategy. The Middle Management Leadership Development Program (MLDP) was also initiated to further improve middle management level employees' skills and potential while training them to become the new generation leaders who will lead and make changes in the future.

### 7. Succession Plan

The Company has set a strategy and succession plan for significant positions that have strong impact on its business operations. This clear succession plan will ensure that its business will be able to continue without interruption and that the Company can recruit high potential employees to replace vacancies in important positions.

### 8. Communications and labor relations

Regular communications between the management and employees are provided to ensure that employees of all level are aware of and understand the corporate business direction, challenges and possible impact. Employees are offered full opportunity to voice their opinion and participate in improving the Company's operational efficiency. Bilateral meetings with IRPC Labor Union and IRPC Executive Union were arranged. HR Road Tour was initiated to communicate with employees the progress of any HR-related activities. Meetings between directors who are representatives of the Company and employees' committee were held regularly. With all these activities, the Company was granted the Outstanding Organization - Labor Relations and Remuneration 2011 Award from the Department of Labor Protection and Welfare, Ministry of Labor, for the fourth consecutive year.

## Corporate Social Responsibilities

### Sustainable business development together with the environment and society

With its commitment to operate its business together with developing economy, society and environment, IRPC not only places great emphasis on creating new innovations to increase its competitiveness for both its oil refining and petrochemical businesses, but also realizes the importance of Corporate Social Responsibilities (CSR). The company commitment is clearly reflected by continuous developing the existing Corporate Social Responsibility projects to benefit the environment, education, religion, culture and public health as well as introducing new initiatives which aim at bettering the livelihood of the community through the use of knowledge and promotes collaboration between the business and communities for long-term sustainability.

### From ideas to implementation

The Company recognizes the importance of its being engaged in social development and environmental preservation. The significant projects in 2010 are as follows :

#### Education

Realizing that “children” are an integral part of the country’s economic and social development and that education is the foundation of developing knowledge, attitude and ethics. IRPC has consistently supported youth-related and educational activities, such as



The “*White Elephant Project*,” the Company provided scholarships to economically challenged students who demonstrated excellent scholastic results and behavior. In 2010, the Company offered more than 200 scholarships, with total value of over Baht 2.5 million.

“Sport” is another effective tool to help promote both physical and mental health. The Company has continuously supported various sports activities for young people such as Takraw and youth football competition. Last but not least, the Company provided scholarships, lunch, stationery and sports equipment to Wat Pluak Ket School, Choeng Nern district, Rayong province.





### Religion and Culture

Religion and culture represent the country's identity. Realizing this, IRPC together with people in its community and government offices, have annually participated in Kathin ceremony and the Red Cross Fair. The Company also renovated Wat Krua Ta Petch (Wat Hua Pruan) located in the oil depot in Tha Rua district, Phra Nakhon Si Ayutthaya province. The temple is a historical site that the Company has been committed to develop in order to revive it to be the center of the community.



The Company also initiated the "Buddhist-heart for New Generation Project" and the "Youth Training at Wat Ta Khun Moral Center Project" to engage young people in surrounding communities in participating in Buddhist activities, which will become their spiritual anchor through their adulthoods.

In terms of the culture related activities, the Company realizes the importance of maintenance of historical sites, which are the nation's treasure and intends to aspire young people to cherish and value local historical sites. IRPC cooperated with the Department of Fine Arts in organizing the summer youth camp, educating young children about local historical sites and culture. This activity attracted 150 participants who are primary-level students from many schools in Phra Nakhon Si Ayutthaya province.

At the same time, The Company has also supported local occupational groups in order to enable people in the community to have occupations, gain more income and have better living condition by encouraging them to jointly develop local products. In the past year, 37 groups were formed and several of products were distributed to IRPC's OTOP center.



### Public Health and Utilities

People's good health is the first step to build strong community which is ready to serve the future development. Therefore, IRPC has joined forces with Queen Sirikit Hospital to provide mobile services to offer dental and optical check up, as well as hair cut for people in Ta Pong Sub-district, Cherg Noen Sub-district,



Baan Laeng Sub-district, Na Kwan Sub-district and Rayong Municipality, Muang District, Rayong, twice a month, under the “mobile medical unit” project.

Clean water shortage in the surrounding areas is one of our major concerns, therefore, IRPC has developed a “Tap Water Project for Communities” to help build a pumping station together with a water distribution system to supply clean water to the community in Baan-Lang, Ta Pong sub-districts and nearby areas.

### Environment

“Every development in efficiency of manufacturing process must come together with good environment in the community” is the concept that IRPC believes in. IRPC has initiated many environmental conservation and promotion projects that reinforce the Company’s commitment to environmental preservation and sustainable development. On the auspicious occasion of H.M. the King’s 84<sup>th</sup> birthday anniversary, IRPC has joined forces with the Ministry of Energy to organize the “84,000 Trees Plantation to reduce Global Warming for His Majesty the King” Project. Furthermore, other significant projects such as Phra Samut Chedi Mangrove Rehabilitation Project, Khao Yai Da Herb Garden Project, Blooming Sunflowers in Baan Kai Project and Khao Nguang Chang Waterfall Project were also initiated and for better environment



### Getting Close to the Community

In addition to projects in four main areas, the Company has also been engaged in other projects, all of which have reduced the gap between the Company and its community, such as

#### Community Center

This project is operated to provide a center of learning on agricultural and environmental development. At the same time, it helps people in the community increase their income. People of all ages in the community will benefit from the center.

Since early 2010, the Community Center has served as a place for community’s meeting. It has helped strengthen the relationship among community members. Activities at this center were well prepared for people in all ages to satisfy the community’s need, for example, the Travel and Learning Project, the Open House Project, and weekend activities which provided various recreational courses such as Quilt Making for the elderly, arts for young children, singing club, dancing club, and English club.





### Volunteer Spirit Project

In the past year, the Volunteer Spirit Project was supported and well achieved through participation from management and employee. Several socially responsible activities, for example, the Volunteer Spirit for World's Environment Week Project, Moo Baan Hua Nong's Shelter Renovation Project in Tapong District, Ban Laeng School's Music Room Renovation Project, School's Landscape Improvement Project at Ban Nong Chok and Wat Po En in Ayudhya province, and Meditation Building Improvement Project at Nern Putsa Temple were initiated and this is, we believe, an integral part of the success of our sustainable business growth.

### IRPC Technology School

IRPC Technology School is another pride of the Company in providing development in education to Rayong. The Company has initiated and done everything possible to make IRPC Technology School be the first tertiary education institute in Rayong province.

IRPC Technology School currently provides education in vocational and high vocational studies, in the areas of commerce and factory mechanical study. With the close cooperation between the school and the factory, students get the knowledge in both theory and practice. Graduates from the school will have sufficient skills to have stable occupation and work. This not only helps improve the province's industrial sector, but also solves the problem of labor relocation.

All of these continuing activities are our tireless commitment to create sustainable growth, by balancing three important dimensions; economy, society and environment. IRPC will strive towards business excellence without neglecting our community, we determine to spread our "Care, Share, and Respect" spirit throughout the community's way of life.

### Quality, Safety, Health and Environment Performance

IRPC recognizes the importance of integrated environmental management to create a well balanced environmental and business development with sustainable growth. The Company has committed to strengthen the management policies concerning safety and occupational health management as well as preserving and maintaining the necessary environmental standard surrounding the complex and the communities. In 2010, the Company carried out quality, safety, occupational health and environment activities as follows :

1. Prevention Control	<ul style="list-style-type: none"> <li>Establishment of environment safeguard system with the capital cost approximately Baht 380 million</li> </ul>
2. Clean energy	<ul style="list-style-type: none"> <li>Sulfur dioxide emission reduction by 40%</li> </ul>
3. Greenhouse gas emission	<ul style="list-style-type: none"> <li>Reducing greenhouse gas emission from production process by 180,000 tonnes equivalent CO<sub>2</sub> per year</li> <li>Clean Development Mechanism project (i.e. replacement of fuel-oil boilers by new natural gas CHP) won Thai Crown Standard Certification</li> </ul>
4. Waste water	<ul style="list-style-type: none"> <li>Reducing waste water and increasing recycling water by 16%</li> </ul>
5. Volatile Organic Compounds (VOCs)	<ul style="list-style-type: none"> <li>Installing prevention system</li> <li>Preparing VOCs inventory in accordance with international standard</li> </ul>

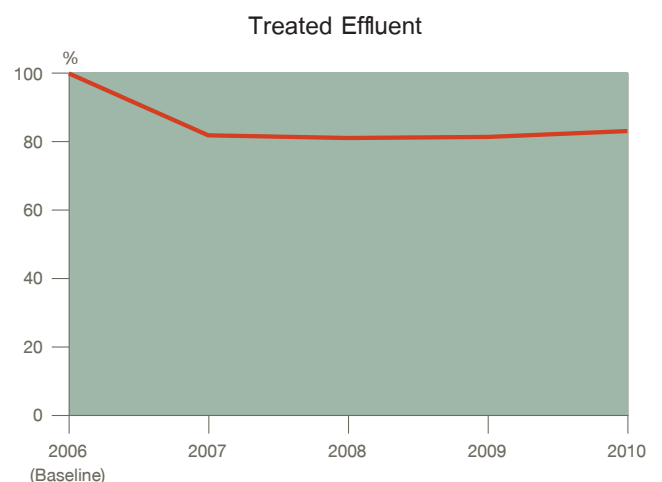
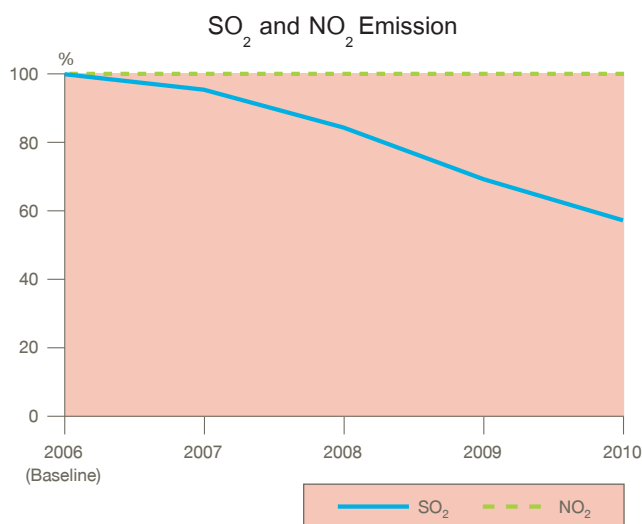
6. Safety information	• Preparing chemical substance and chemical product database for our environmentally friendly products according to international regulations
7. Occupational Health Management	• Set up - data base for employees' health record
8. Quality Control Management	• Operating cost saving by Baht 490 million

## Environmental Management

The Company implemented several Environmental Management Systems according to the ISO 14001 (P-D-C-A Model) and the 3R principle. Environmental quality has been continuously and strictly monitored as required by law and regulations of concerned government agencies. In addition, the Company has further investigated these systems for more efficient monitoring and to prevent possible adverse impact. The Company has regularly measured air, water and noise quality. The results of all investigations are within the standard allowed. Highlight of particular continuously environmental mitigation program are listed;

- Emergency Control Center which helps quickly monitor on safety and environment. Full equipped with specific process control and software for emergency chemical release simulation.
- Air Quality Monitoring System - In 2010, the Company added two permanent air quality stations which monitor air quality 24 hours with real time record.
- Environment Protection Project - Display board was set up together with air monitoring station. Relevant problems and information would be identified and communicated with the surrounding areas.
- Volatile Organic Compounds (VOCs) Emission Control Project - A system was installed to control and reduce the volume of VOCs emission.

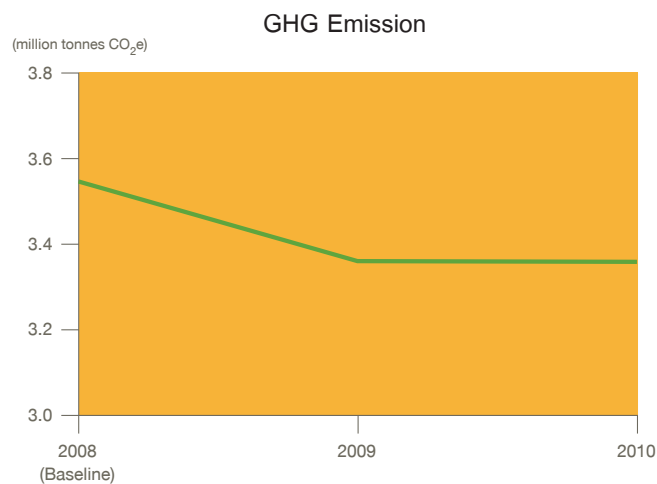
The Company has also collaborated and jointly developed mitigation measures with related government agencies to ensure effective prevention and systematic solution. For example, the Company selects fuel sources which have lower sulfur content, installation of clean technology, equipped with low NOx burner and managed recycled water. In 2010, it reduced sulfur dioxide emission by 40%, oxide of nitrogen by 0.5% and treated effluent by 16% compared to the baseline in 2006.





Following its clean energy strategy, IRPC initiated the Combined Heat and Power Project (CHP) fired by natural gas as part of its Clean Development Mechanism Project. The Company has been granted a certification from Thailand Greenhouse Gas Management Organization which is the designated national authority according to Kyoto Protocol. At present, IRPC's power plant is the country's largest clean development mechanism project considering its ability to reduce carbon dioxide emission. This project can help solve power distribution interruption which is a major factor affecting air pollution emission. The Company's Power Plant also won the Crown Standard, confirming that its efficiency and quality equivalent international standards.

The Company well prepared and recorded the greenhouse gas (GHG) inventory as GHG is a major aspects affecting global warning. The Company set out strategic framework as corporate policy to control and reduce GHG release from all its business development to ensure that all projects would have the least possible environment impact with consistent and reliable operation. In 2010 the Company successfully reduced and recorded CO<sub>2</sub> emission by 185,000 tonnes compared to 2008 which is the baseline, or 0.37 tonnes of CO<sub>2</sub> per tonne of product as a result of energy saving measures.



## Occupational Health and Safety Management

IRPC's occupational health management is based on the TIS/BS OHSAS 18001 (P-D-C-A Model), productions process safety engineering and the 3P principle (people safety, plant safety and process & procedure safety) as follows :

- **Industrial Hygiene** IRPC emphasizes the importance of environmental conservation and health condition of the employees whereby assessment on industrial hygiene or workplace environmental condition in accordance with applicable rules and regulations are implemented. Risk factor in each area such as assessment of noise, brightness, chemical, particle, radiation and heat are monitored regularly.
- **Occupational Health** - New staff has to have physical check-up before they start working with the Company. Also, annual health checkup will be arranged to monitor body chemical level by occupational medicine specialists. Health book will be prepared for each individual. The Health Book software was developed in order to keep all the health records for greater convenience. Further, the Company introduced a "Sharing Clinic" located at the Community Center to provide basic medical treatment to community residents for free.

- **Globally Harmonized System of Classification and Labeling of Chemicals** - in order to comply with regulations stipulated by the United Nations and Thai law which stated that the GHS, labeling of Chemicals and safety data sheet must be implemented. IRPC, in advance, has put in order supporting system by carrying out operational training for related management and employees to enhance understanding in the system, purchasing chemical data sheet according to GHS system and prepare to steer our products towards the global market under the stipulated rules which will come into effect in the near future.
- **Behavior Based Safety** - the Company particularly watched out for unsafe actions and behaviors of employees and contractors. The Behavior based safety (BBS) has been implemented in all work areas since the beginning of 2010. BBS Campaign was continually launched to encourage employees to wear personal protection equipments at all times and was set to be integrated into corporate safety culture. In 2010, employees and contractors have adopted BBS policy to be properly safety equipment. Also, workers entering into the spark control area are required to wear long-sleeve cotton uniform.
- **Chemical accident plan and Polluted diseases** - the Company requires all its plants to prepare contingency exercise for different emergency situations, such as chemical leakage and fire. In 2010, the Company prepared for emergency by cooperating with government and private organizations in practicing provincial level emergency plan related to chemicals and hazardous substances.
- **QSHE & E DAY 2010** - The event was held to promote safety, environment and energy saving awareness and implementation among employees. Our QSHE day has been held annually for 16 consecutive years. The latest one called "Care and Share Together" was organized on December 23, 2010.





## Quality Management

The Company's quality management is implemented based on the ISO 9001, ISO 14001, TIS/BS OHSAS 18001, ISO/IEC 17025 and ISO/TS 16949 standards and other management tools including productivity improvement activities such as 5S, QCC and suggestions. All employees were encouraged to participate in such activities. In 2010, a total of 278 groups participated in these quality activities which helped saved Baht 490 million. The Company also introduced other activities which are in line with rules and regulations, such as :

- REACH : Registration, Evaluation, Authorization and Restrictions of Chemicals which is EU's chemical control law
- RoHS (Restriction of Hazardous Substances) which is the 2002/95/EC of EU regulations on the use of hazardous substances in electrical and electronic appliances.

## Corporate Governance



IRPC Public Company Limited operates business by adhering to the good corporate governance principles and with consideration to maximize benefits to all stakeholders. The Company has formulated the good corporate governance policy to be used as a framework to ensure responsible and fair business operations while increasing competitiveness, strengthening investors' confidence and better supporting the government's policy related to enhancing Thai capital market. The good corporate governance policy is strictly respected and implemented by all directors, executives and employees. The corporate governance guidelines are as follows :

1. Accountability - Responsibility for one's own decisions and action, and ensuring that those actions can be explained and clarified.
2. Responsibility - Be responsible for the duties with the best of one's ability and efficiently.
3. Equitable Treatment - The fair and equitable treatment of all stakeholders.
4. Transparency - Corporate operation that can be examined while necessary and transparent information is disclosed to the relevant parties.
5. Vision to Create Long-Term Value - Looking toward the future to create corporate added value.
6. Ethics - Committed to ethics and code of conduct in performing the company business.

In 2010, the Company has continuously and constantly campaigned for good corporate governance practice. In addition to regular communications with shareholders and all stakeholders through video, quarterly newsletter and activities, the Company communicated the good corporate governance principle with its employees. The "Good Corporate Governance Working Group" was established, consisting of representatives from all functions who brainstorm and act as the center for distribution and implementation of good corporate governance practice. The Code of Conduct was prepared and distributed to all employees with an objective to promote and raise awareness of the corporate governance principles. Thanks to these actions and campaigns, corporate governance has been integrated into IRPC's corporate culture.



As a result of clear and systematic implementation of rules and regulations, transparency, ethics, fair treatment to all stakeholders as well as social and environmental responsibility, the Company was rated “Excellent” for the second consecutive year in the Corporate Governance Report Survey of Thai Listed Companies 2010 by the Institute of Directors. It has also received many awards, certifications and accolades from leading institutes, regulatory organizations and government agencies, such as the Outstanding Organization in Energy Conservation-Controlled Plant category, from the Department of Alternative Energy Development and Efficiency, Ministry of Energy, and the Ecomagination Award from GE Water and Process Technology (Thailand) Co., Ltd. These awards are the proof of our commitment to operating business with responsibility.

The Company is determined to continually develop Corporate Governance activities for benefits of all stakeholders with the utmost aim to reach Universal Corporate Governance Standard according to the intention of the National Corporate Governance Committee, the Stock Exchange of Thailand and the Security and Exchange Commission that aim to promote credibility of Thailand’s capital markets to international standard. Throughout the year 2010, the company had accomplished five areas of corporate governance principals as follows :

## 1. The Rights of Shareholders

The Company is highly aware that the Shareholders’ rights should be protected and the exercising of such rights encouraged through the following actions:

### 1. Fundamental legal rights

IRPC facilitated the exercising of these rights, namely the exchange of securities, voting on profit sharing, approving for dividend payment and directors appointment, receiveing equitable profit share, reviewing balance sheet, profit and loss statement and the auditors’ report, and etc.

### 2. The rights to receive significant information

The Company has provided for convenience for its shareholders to have easy access to the Company’s significant information and has never taken any action that may limit the rights or access to information. The shareholders have to receive information, process and agenda of the shareholders’ meeting as well as supporting information sufficient for them to make decision. The Company distributed the meeting invite which contained meeting agenda, opinion of directors and supporting document on its website 30 days and sent by post to shareholders more than 14 days prior to the meeting date to provide the shareholders with sufficient information and time to consider and study before attending the meeting. During the meeting, shareholders were given opportunity to ask questions and express opinions before voting. The Company implemented a barcode registration system for convenience and efficiency. Separated voting ballots were prepared for each agenda. Shareholders were allowed to register and attend the meeting even after the preset registration time. Barcode system was also used for ballot tally for immediate and accurate results.

### 3. The rights to attend the shareholders’ meeting

The Company promotes and encourages shareholders to exercise their rights by attending the shareholders’ meeting in order to participate in setting business direction, making decision on significant matters that have crucial impact on IRPC’s business, and reviewing directors’ annual remuneration. In selecting the venue for shareholders’ meeting, the Company takes into account facilities and easily accessible location that provides the most convenience for shareholders.

#### 4. The right to appoint proxy

The Company has enabled shareholders who are unable to attend the meeting themselves to appoint one of the Independent Directors, Chairman, President or any relevant person to attend the meeting and vote on their behalf by proposing their names in the proxy form that allows the proxy to act according to the shareholder's intention. The Company provides information about the Independent Directors and interests of each director for shareholders to consider in deciding on proxy appointment. Shareholders can appoint different proxy to vote separately on each agenda, or vote separately for the appointment of directors.

#### 5. The right to express opinion

Shareholders are given full opportunity to express opinions, make inquiries and vote for or against any matter. The Chairman of the Board, chairman of sub-committees, top executives and auditors will attend the shareholders' meeting to answer all queries addressed by shareholders.

#### 6. The right to vote at the shareholders' meeting

The Company arranges simple meeting procedure and voting process as well as provides clear instruction on voting method in order to help shareholders accurately vote for their preferred choices. Shareholders can separately vote for each agenda. Voting ballot carries a barcode for accurate and transparent tally.

## 2. Equitable Treatment of Shareholders

The Company places great importance on its shareholders and manages to treat all with equitability and fairness by

1. Arranging transparent and efficient Annual General Shareholders' Meeting by running the meeting and holding votes in accordance with the sequence of the meeting agenda as notified in the invitation letter. It is not the Company's policy to add more items to the meeting agenda without giving prior notice to shareholders. This allows them the chance to study related information on each item on the agenda before making a decision.
2. Nominating four Independent Directors in the proxy form for shareholders who could not attend the meeting to appoint one of them or the Chairman of the Board, or the President or other person to attend the meeting and vote on their behalf. Independent directors are nominated in the proxy form in a way that provides full freedom for the shareholders to make decision.
3. Providing separate ballot paper for each item and encouraging shareholders to use a separated ballot paper for every voted item. Ballots will be gathered in the meeting room and votes counted and merged with advance votes made via proxy forms. Then the result of the vote will be announced at the meeting.
4. Recording the minutes of the meeting precisely. The meeting minute consisted of all relevant important issues including the meeting resolutions and voting results which are separated into approved votes, disapproved votes and abstained votes on each agenda item, inquiries, explanations and opinions from the meeting. The minutes are forwarded to all related parties within 14 days after the meeting. The entire session of the meeting is recorded. The video recording and the minutes of the meeting will be placed on the company's website to provide useful information to shareholders and general investors.

5. Outlining the measures regarding information security and the prevention of insider trading in the Company's Good Corporate Governance Handbook that all employees have signed in acknowledgement of the Company's measures to create fairness for shareholders. The directors, the management and all related persons, including spouses and children aged under 20, will be informed that they are not allowed to use undisclosed information that affects the Company's share price as it violates the Securities and Exchange Act B.E. 2535, section 241. In addition, the directors and Board of Management must report their shareholdings to the Securities and Exchange Commission (SEC) when they are firstly appointed for the position and they must report to the SEC within three working days every time they change their holdings.
6. Maintaining equitable and fair treatment to all shareholders, regardless of sex, nationality, religion, size of their holdings by distributing information, both in Thai and English through SET's information system and on the Company's website [www.irpc.co.th](http://www.irpc.co.th).
7. Allowing minor shareholders to exercise their right and propose meeting agenda in advance and within the timeframe arranged by the Company. The criteria are published on the Company's website.

### 3. Roles of stakeholders

The Company has instituted a policy in treating individual groups of stakeholders in line with their legal rights and agreements with the Company, while developing formats and approaches for stakeholder participation in fostering sustainable performance. The rights of shareholders, staff, trading partners, competitors, debtors, customers, the community, society and the environment are upheld by the guidelines and responsibilities that employees of all levels are expected to act upon as follows :

**Shareholders** : The Company is committed to operating business with transparency, reliable accounting system and healthy finance in order to create maximum value to shareholders.

**Customers/consumers** : The Company has continued to develop its products and services, while building a quick and reliable selling and buying process to protect customers' benefit and lower risks related to customers' business. The Company is committed not to taking advantage on consumers, according to the consumer protection law and anti-monopoly law. At the same time, it is dedicating to innovating products that would enhance consumers' quality of life and are environmentally friendly, to creating customer satisfaction through product and service quality both before and after sales. In case of problems related to customers' production process, the Company always help customer solve problems or give advice and solution thanks to its knowledge, experience and expertise in this trade.

**Business Partners** : The Company strictly adheres to code of conduct in working with trading partners to ensure transparency and fairness. For mutual benefits of all related persons, agreements are made based on fairness and mutual success of all parties concerned.

**Employees** : With respect to human value, the Company has a policy to create pleasant workplace environment and value. It offers remuneration and benefits that are appropriate, fair and in line with industry average, which aspire employees to perform their duty at best capability. With the Company's aim to become a learning organization, it has relentlessly promoted and supported employees' capability development, encouraged innovations that bring greater value to the society and environment. Scholarships are granted to employees to support their development. The Company also provides equipment, tools and necessary facilities as well as good work environment. Guidelines for safety, occupational health and disciplines

are in place. The Company provides good care for all level of employees, including annual health checkup, special checkup depending on risk factors and work condition, life and accident insurance, and an appropriate package in case of employment termination.

**Competitors** : The Company adheres to the Code of Conduct and respects integrity, fair competition and transparency.

**Community** : The Company has a CSR Department dedicated to social, community and environment responsibility activities. It provides supports, helps increase quality of life, and creates work and projects for the best benefit of community. Both short and long term CSR plans were set for the betterment of society and environment which comprised of four major areas; environment, culture and religion, education and community and quality of life developing. Furthermore, IRPC granted a support for the establishment of the “Volunteer Sprit Project” to open up opportunities for each and every individual staff of IRPC to voluntarily take part in social activities using their personal ability and willingness for the best benefits of the society and environment every year.

**Environment and Safety** : Realizing its role as a member of this society, the Company strictly respects the laws and regulations related to safety and environment and thus have gained high recognition. The Company has implemented the strict workplace safety guidelines, prevention plans, and production process control to proven impact on the environment and workplace safety. The Company has regularly practiced accident handling process according to international standard. In addition, the Company has given high importance to creating good understanding and immediately providing correct information to communities in order to prevent conflict with community.

**Related government and private organizations** : The Company respects and fully complies with laws and legal regulations related to quality of life, environment, safety, labor, accounting, tax and other matters related to business operations.

#### Reporting of Misconduct or Complaint

To equitably treat all stakeholders with fairness and transparency according to the good corporate governance principles, the Company provides a channel for all stakeholders to report misconduct or complaint over illegal acts, fraud, negligence or inequitable treatment that affected or caused potential risk to stakeholders by directly informing the Company or mail to

The Chairman of the Audit Committee or Internal Audit Manager  
 IRPC Public Company Limited  
 6th Floor, Energy Complex, Building B  
 555/2 Vibhavadi Rangsit Rd.,  
 Chatuchak, Bangkok, 10900,  
 Tel. 02 649 7000 Fax. 02 649 7982

From July 2010 onwards, the Company has added a new channel by accepting report on misconduct or complaint via its website.

After the Company receives the report of misconduct or complaints, Internal Audit Department will register, consider and scrutinize the complaint. In case the Company found any, the Investigation Committee will be formed with representatives from related departments. In case the Committee found no guilty, the Committee will close the complaint according to the procedure. If found any illegal act or fraud, the Committee will take disciplinary or legal action as the case may be. Subsequently,

the issue will be reported to the President and seek approval to take legal and disciplinary actions as well as compensate the sufferer. After approved by the President, the committee will inform the complainant of the decision and inform related departments to pay compensation, or correct the damage until it returns to normal condition. The Internal Audit Department will summarize the actions taken and report to the President, Audit Committee and concerned executives.

#### 4. Information Disclosure and Transparency

The Company places great importance on the sufficient, complete, transparent, accurate, clear, trusted and timely disclosure of both financial and non financial information using simple and concise language in order to support efficient decision by stakeholders. Transparent information disclosure is a significant factor that creates confidence among investors, demonstrating the Company's integrity and is used as a mechanism to monitor the Company's operations. The Company managed the disclosure of information so as to boost stakeholders' confidence as follows :

- The Board of Directors is responsible for preparing balance sheet, profit and loss statement and the auditor's report as well as the Directors' annual report to present to the general shareholders' meeting for approval of the Annual Report and publish it on the Company's website which is regularly updated.

- In addition to financial report and the auditor's report, the Board of Directors has to prepare a report on the Company's status and business trend that is easy to understand, a report of Board of Directors' responsibility towards financial statements which must be presented in parallel with the auditor's report, other management report necessary for analysis, a report on directors' meeting attendance and subcommittee meeting attendance which includes a comparison of the number of meeting attended with the total number of meeting of the Board of Directors and/or specific committee in each year.

- The Company published its policy and criteria for directors' and top executives' remuneration, changes in directors' portfolio, connected transactions and shareholding structure in the Annual Report as required by the Securities and Exchange Commission.

In addition to regular disclosure of information related to normal operation, the shareholders shall receive immediately the information that may have significant impact, either positive or negative, on the Company's operations. The Company's disclosure of information for stakeholders is based on equitability and done through quick and efficient channel that shareholders and stakeholders have easy access to.

##### Channel and Responsible Person for Information Disclosure

- **Direct channel**

The Company sets up the Investor Relations Department directly responsible for quickly and efficiently providing information to shareholders. The Company constantly increases and updates the channels for communications with shareholders. It has closely communicated with individual and institutional investors, creditors, analysts and shareholders in providing information about operating performance and investment projects through roadshow, analyst meeting, company visit and site visit. A Compliance Unit was established to ensure that the Company complies with the requirement and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The public relations unit is responsible for communicating and disseminating information, news and update related to the Company's progress or clarification of issues that are in the public interest.

In 2010, the Investor Relations Department's major activities are as follows :

Activities	times
International roadshow	9
Analyst Meeting	4
Company Visits	32
Plant Visit	1
Arrange joint activities with the Stock Exchange of Thailand to provide information about the Company to shareholders and investors	2

- **Indirect Channel**

The Company has set up channels for shareholders, investors, analysts and other people to search for additional company information via the Company's website at [www.irpc.co.th](http://www.irpc.co.th) or by directly contacting the Investor Relations Office using three main channels as follows

Tel. 02 649-7384

(1) email: [ir@irpc.co.th](mailto:ir@irpc.co.th)

(2) Fax: 02 649-7379

## 5. Responsibility of the Board of Directors

The Board of Directors shall comprise of persons who have expertise and sufficient experience to formulate strategies and vision for the Company. The directors shall perform duties at their best capability and contribute appropriate time to directing the business through the management selected and assigned to be responsible for different tasks. The Board of Directors appoints various committees to take care of specific matters, the auditor and Corporate Secretary who is responsible for meeting arrangement and compliance with the laws.

### 1. Structure, Composition and the Selection of Directors

- **Composition**

The Board of Directors is comprised of 17 people, including 16 non-executive directors and one executive director. Out of this, eight are independent directors with high experience and capability. All of the directors are experienced and have expertise in various areas which are necessary in managing and directing the Company's business, including at least three experts in petroleum business, one legal expert, and at least one accounting and finance expert.

- **Selection**

To secure transparent director selection process, the Nomination and Remuneration Committee shall seek and nominate appropriate persons to be the Company's directors, provide sufficient information about the nominees, and nominate the names to the Board of Directors which will propose to the shareholders' meeting for approval and appointment. Each director shall have the required qualifications, do not possess prohibit characters as specified by the Public Company Limited Act

and Thailand Securities and Exchange Act, and possess characters appropriate for managing a public listed company. Information and background of all directors are provided in the Form 56-1, the Annual Report (Form 56-2) and the Company's website.

- **Chairman of the Board of Directors**

The Chairman of the Board of Directors shall not be the same person as the Company's President and has clear segregation of role and responsibility. Although the Chairman is not an independent director, the Chairman can perform his or her duties with responsibility and formulate business strategies free of conflict of interest. The Chairman shall have strong leadership in leading the Board of Directors and supervise the performance of the management and ensure that the management performs their duties with efficiency and effectiveness to achieve the target. The Chairman, however, shall not be involved in or intervene into the routine operations, which are under the responsibility of the Company's President and within the scope of authority assigned by the Board of Directors.

- **Vice Chairman of the Board of Directors**

The Vice Chairman performs duties assigned by the Chairman and act on behalf of the Chairman on occasions that he or she is temporarily unable to perform the role or when the position of the Chairman is vacant.

- **President**

The President is appointed to outline the management framework according to the Board's resolution and policies. He or she also serves as the Secretary of the Board of Directors to arrange Board and shareholders' meetings efficiently.

## 2. The Sub-Committees

In order to deliberate important business-related issues cautiously and effectively, the Board of Directors appointed and assigned four sub-committees to scrutinize specific issues. The sub-committees screen critical relevant matters with prudence and efficiency as assigned by the Board. They are to regularly report their findings and their performance for the year to shareholders through the annual report.

### 1) The Executive Committee

The Company appoints at least three directors who are specialized in the petroleum and petrochemical industry as the Executive Committee to have authority and responsibility for considering the Company's business plans and annual financial budgets in order to make proposals to the Board of Directors. The Executive Committee will outline the investment and financial policy as well as business plans that comply with the Company's policy. They also have the authority to approve investment guidelines and proposals following the Company's Articles of Association. It shall consider and handle important issues related to the Company's business operations, as well as examine and make suggestions on all kinds of work projects before submission to the Board of Directors. The Executive Committee has the duty to appoint directors for subsidiaries and joint venture companies, based on the proportion of the Company's shareholdings or agreements signed between shareholders as well as performing other related duties assigned by the Board of Directors.

## 2) The Audit Committee

The Audit Committee comprises three Independent Directors. One of the committee members shall have good knowledge in accounting or finance. The Committee is responsible for auditing and ensuring the credibility of the financial statements for the Company and subsidiaries. The Committee has the duty to ensure that the Company and subsidiaries have effective internal control system, internal audit and risk management. It can propose and recommend areas of improvement for the internal control, internal audit and risk management and report the audit result to the Board of Directors.

## 3) The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed from at least three company directors and at least one of them must be an Independent Director. It is responsible for nominating qualified persons to be directors and the President according to reasonable and transparent selection criteria. It also considers the compensation schemes of directors and the President based on fairness and suitability before submission to the Board of Directors and Shareholders' meeting for approval.

## 4) The Good Corporate Governance

The Good Corporate Governance Committee comprises of at least three company directors and at least one of them is an Independent Director. The Good Corporate Governance Committee is responsible for considering and proposing corporate governance policies, as well as giving necessary suggestions and answer questions on related corporate governance issues addressed by the Board of Directors, President and shareholders. It also ensures effective implementation of the corporate governance policy to support the Company's sustainable growth in parallel to social and environmental development.

## 3. Director's Term of Office

The Board of Directors stipulates that directors and members of the sub-committees shall remain in office for three years. The Audit Committee can remain in office for no longer than two terms, except that the Board of Directors has other opinions. In addition to achieve operational efficiency, the Board of Director also gives importance to the number of companies in which its directors hold directorship. Each director is suggested not to hold directorship in more than five companies listed on the Stock Exchange of Thailand.

In case of directors' holding directorship positions in other listed companies more than 5 companies, where PTT Plc. are major shareholder of the concerned listed companies. The holding of directorship positions shall be considered as PTT management of its investment, there is no concern of directors' performance. The information of directors' holding positions in other listed companies is disclosed in the Annual Report and Form 56-1.

## 4. Segregation of Roles and Independence of Directors

The Board of Directors has clearly stated in writing the scope of responsibility of the directors and management for efficient supervision, audit and performance appraisal as follows:

- Arranging a structure for clear segregation of roles and responsibilities between the directors and the President to increase efficiency. The Board of Directors is responsible for formulating strategies, vision and mission and set roles, duties



and responsibilities that enhance the Company's ability to achieve its objectives. The Directors shall consider and approve significant matters, including vision, mission, strategies, financial target, risk management, business plan and budget which are initially scrutinized by the Management Committee comprising high-level executives including the President, Senior Executive Vice President, Executive Vice President from different functions. After approval, these significant matters will be submitted to the Board of Directors for consideration. The President is responsible for drafting an efficient and effective business plan that is in line with the strategy and goal. The Company arranged for a Board of Directors' meeting without the presence of the President at least once a year.

- The Board of Directors maintains its independence in making decisions, considering, expressing opinion and voting. To protect the benefits of the Company and all its stakeholders, the Board of Directors should not be under pressure from any interests or conflict of interest in specific matter that may affect independent and neutral decisions. Considering the conflict of interest issue, the Board of Directors has set a policy that a director who may have conflict of interest shall not make decision in that particular matter.

## 5. Role and Responsibilities

The Board of Directors is responsible for managing the business to create the greatest benefits for the Company. The roles, duties and responsibilities of the Board of Directors are to act within the law, the Company's Articles of Associations and good corporate governance policies with honesty, integrity, responsibility and transparency. It also oversees the Company's management performance to meet corporate goals create the heist returns for shareholders and uphold benefits of stakeholders. In order to implement the Company's good corporate governance policies more effectively, the Board of Directors perform the following roles :

- Contributing and giving priority to formulate corporate vision, business plans and strategies through comprehensive discussion and gathering of necessary information.
- Examining and approving the Company's important business strategies and policies, objectives, financial targets and plans. It must regularly follow up to ensure that the Company's vision, strategies and plans are being implemented.
- Setting up a reliable accounting system, financial statements and auditing procedures. It must establish appropriate procedures in order to effectively and efficiently evaluate the Company's internal controls and audits.
- Examining potential risks and set up a guideline for comprehensive risk control. The Board of Directors also supervises the Management to implement effective risk management procedures and seek business opportunities should the risk occur in order to ensure that the Management would be able to effectively implement the corporate vision, direction and strategies.
- Monitoring and solving problems related to conflicts of interest and connected party transactions. The Board of Directors will give priority to key business matters by considering utmost benefits of shareholders and stakeholders.
- Setting up a suitable remuneration system for the Company's executives so as to create both short-term and long-term motivation. The Board of Directors shall conduct annual self-assessment which is used as a guideline for directors' performance monitoring. The result is published in the Annual Report. Performance of the Company's President is evaluated on a regular basis so as to set up his or her remuneration commensurate with performance.

- Providing convenient communication channels to communicate with shareholders and evaluating information disclosure so as to ensure its accuracy, transparency, completeness and reliability.
- Acting as a leader and role model in performing duties to the highest levels and in compliance with the Company's good corporate governance policies.
- Ensuring dividend payment when the Company has sufficient profit and does not have accumulated loss. The dividend payment plan shall be proposed for approval by shareholders at the general shareholders' meeting.

## 6. Monitoring and Controlling Mechanism

The Board has devised the following evaluation and control apparatus to ensure transparent operations for the confidence of shareholders, investors and relate stakeholders.

### Conflict of Interest

- The Board has devised the policy on conflict of interest as part of the Corporate Governance and Business Code of Conduct Handbook. It has also followed the recommendations of SEC concerning Board approvals for commercial transactions under agreements between the Company or its subsidiaries and directors, the management, or related parties, to comply with the amended Securities and Exchange Act.
- In approving any transaction, the Board has ensured the compliance with the criteria and guidelines, with prudence, proper reasoning and independence. The process is transparent and completely and accurately emphasizes on the Company's maximum benefits.
- In approving a connected transaction, the Board demands the disclosure of the interests of directors, the management and connected parties, the transaction value, independent directors' opinions, and others as necessary, so that the Board / shareholders can properly make a decision for the Company's mutual benefits.
- The Board devises a guideline which bars involved directors or management or employees from the process to consider the transactions of such persons. Any involved individual must refrain from the meeting, or attend the meeting only to clarify some facts.
- The Board has resolved the criteria that directors are demanded to file reports upon their appointment to the Board and any change on their interests. They are compelled to have the interests reviewed and complete the annual report at the end of each year.

### Internal Control and Internal Audit

- The Board values the internal control. The Audit Committee is assigned to review the control, for sufficiency and appropriateness to business conditions, as well as operating effectiveness, and report to the Board and shareholders.
- The Board also set up the internal audit as a separate unit, responsible for the assessment of sufficiency and effectiveness of the internal control on the operations and activities in line with the annual audit. It must regularly report to the Audit Committee, to promote the effectiveness of the control environment, risk assessment and control activities under the ethical and standard internal audit standards for the independence and quality of the internal control.

## Risk Management

- The Board of Directors has realized the importance of sufficient risk management and therefore set up the Risk Management Committee. Comprising high level executives, the committee is responsible for monitoring and handling risk management. Evaluation is made regularly to assess any form of risks that may affect the Company's business operations and its ability to achieve strategic objectives in order to prevent or minimize risks at an acceptable level, including monitoring on various units to ensure consistent adherence to the measures. The committee then reports regularly to the Board of Directors.

## Managing the Use of Insider Information

The Company has set up policies for directors, executives and employees that prohibit the use of the Company's undisclosed information for their own benefits or for the benefits of related persons, or for the sale or purchase of the Company's securities as follows :

- In order to prevent employees at all levels who have received undisclosed information, or their families, from performing any action that is against the law, the Company prohibits such people from buying, selling, persuading other people to buy or sell, or making tender offers or public offerings of the stocks issued by the Company, its subsidiaries and joint ventures listed on the Stock Exchange of Thailand, whether by themselves or via brokers, while they are in possession of said undisclosed information. The Company and the Stock Exchange of Thailand consider the use of insider information as speculative trading or giving an unfair advantage to a group of people.

- Directors, executives and all related persons are required to report the number of shares held by themselves, their spouses, family and underage children when taking a position with the Company. According to the Securities and Exchange Act B.E. 2535, sections 59 and 275, they also have to report the transfer of shares within three working days of the day the shares were bought, sold, transferred or received to the Stock Exchange of Thailand and the Securities and Exchange Commission.

- The Company has set up an information security system by specifying a hierarchy for the information according to the level of confidentiality as well as by limiting access so that only necessary and related persons will be allowed to access the information. Therefore, it is considered the responsibility of those in possession of confidential information to strictly comply with the rules of the information security system and instruct all related people to do likewise. Those who make use of insider information will be penalized by law or disciplinary sanctions.

## 7. The Board of Directors' Meeting

The Company will set the dates and times for the Board of Directors' meetings for a year in advance so they can set their schedules. The meeting is arranged at least once a month. Special meetings may be held in case of emergency in order to allow maximum efficiency and timeliness in accordance with the business environment. The Corporate Affairs and the Company's Secretary are responsible for the preparation of document and venue of the meeting as well as coordinate for the meeting arrangement. Each director shall be informed of the date, agenda and supporting information in advance to provide them with sufficient time to study.

- Directors shall devote sufficient time and attention to the Company's operation and attend the meeting at least once a month or when necessary. The Company's Secretary acts as the meeting coordinator, prepares document for the meeting and meeting invitation. At least half of the directors shall attend the meeting to be considered constituting a quorum.
- If a director did not attend three meetings in a row without good reason, it is considered that the person intends not to maintain his or her directorship. A director shall inform the Chairman of the Board in writing in case he or she cannot attend the meeting.
- The Chairman of the Board must ensure that the Board of Directors shall allow sufficient time to the management to present information sufficient for the Board of Directors to discuss, make queries or express opinions on critical issues.
- The Chairman of the Board sets clear measures to allow directors to receive information at least seven days in advance and have sufficient time to study the information and to make the right decisions, except in case of emergency meeting.
- The Board of Directors can ask for information, advice and services related to the Company's operation from high level executives. The Company's Secretary acts as the coordinator to arrange the meeting. If necessary, the Company's Board of Directors may ask for independent opinion from outside consultant and the Company will be responsible for all expense incurred.
- Directors who may have or have conflict of interest on an agenda item must abstain from voting and giving opinions or should leave the meeting room.
- After the meeting ends, the minutes will be accurately recorded in writing and should include all resolutions and opinions of directors. The minutes will be presented at the following meeting. The approved minutes are signed by the Chairman and properly filed both in printed and electronic form. A strict control system shall be implemented to prevent any amendment without the Board of Directors' acknowledgement.
- The Board encourages non-executive directors to discuss among themselves as necessary, without the management involved at least once a year.

## 8. Remuneration of Directors and the President

The Board of Directors and the Company's President cannot set their own remuneration for conflict of interest reasons. Remuneration is therefore considered by the Nomination and Remuneration Committee and approved by the Board of Directors. The shareholders are responsible for approving the Board of Directors' performance.

### Directors' Remuneration

- The Nomination and Remuneration Committee formulates clear policies and criteria for fair and reasonable directors' compensation in accordance to their responsibility and performance. The remuneration shall be attractive enough to motivate and maintain quality directors or shall be in the same level as the industry standard, and tables them before the Board, which then seeks approval from the shareholders.
- The Board discloses the types of compensation and the sums given to each director, as well as compensation for directors serving as directors of IRPC's subsidiaries required by position and responsibility in line with stated policies.

### Remuneration of the Company's President

The Board requires the annual assessment on the President's performance, based on the Company's financial performance which reflects the President's management potential and ability in achieving management goals in the past year and managing the organization's potential. The Nomination Remuneration Committee appraises the performance of the President and decide on his/her compensation in line with the preliminary assessment findings, which is to be tabled for the Board's consideration.

### 9. Self-Evaluation of Directors

The Company's Good Corporate Governance Handbook states that directors should carry out a performance self-evaluation at least once a year so that the Board of Directors can consider their performance and address any problems that occurred during the past year. The self-evaluation procedure also gives them the opportunity to consider the time they dedicated to perform their roles. The directors' self-evaluation procedure is separated into three parts namely 1. Group Evaluation, 2. Self Evaluation and 3. Cross Evaluation

Criteria for the evaluation of the Board of Directors in 2010 are as follows :

More than 85%	=	regularly practice	"Excellent"
More than 75%	=	frequently practice	"Very Good"
More than 65%	=	sometime	"Good"
More than 50%	=	rarely	"Fair"
Below 50%	=	never	"To be improved"

The Board is of the following opinion on the overall evaluation;

- **Evaluation of the entire Board** comprises four areas which are 1. Board Policy; 2. Board Composition; 3. Board Practice; and 4. Board Meeting. In summary, the Board considered that the performance is "Excellent", with the average score at 96.02%

- **Self-Evaluation** comprises seven areas of consideration which are 1. Qualifications and characteristics; 2. Accountability; 3. Responsibility; 4. Equitable Treatment of Stakeholders; 5. Transparency; 6. Vision to Create Long Term Value; and 7. Ethics. In Summary, the Board's self assessment showed that the directors performed "Excellent" duties with the average score of 94.28%

- **Cross Evaluation** which was first implemented this year to assess other directors. It also comprises seven topics as in the self-evaluation. In summary, the Board's cross evaluation was "Excellent" with average score of 96.25%.

### 10. Development of Directors and Executives

The Company's Board of Directors helps existing and new directors to understand their responsibilities and the nature of the Company's business by providing them with useful information as well as by circulating rules and regulations received from the Stock Exchange of Thailand and the Securities and Exchange Commission to both directors and executives as follows :

**New Directors** : Orientation is arranged for newly recruited directors in order to give them an overall picture of the nature of the Company's business and its business direction. As well, informing them about important and necessary information such as major shareholders, shareholding structure, operating performance, the Company's Articles of Associations, good corporate governance policies, Form 56-1 and the annual report, is provided as guidelines to enable them to perform their roles according to the Company's good corporate governance policies.

**Current Directors** : The Company encourages current directors to take additional courses in order to increase their knowledge and understanding of the concepts of good corporate governance, rules and regulations as well as their roles and responsibility in managing their functions with efficiency and ethics, such as courses arranged by the Institute of Directors. At the moment, 15 out of 17 directors have already attended the courses related to roles and responsibilities of directors.

**Management** : The Company encourages its executives to have good knowledge about related laws and regulations necessary for them to perform their duties. It also encourages its executive directors to take training courses on the roles and responsibility of directors arranged by Thailand's Institute of Directors.

## 11. Succession Plan

The Board of Directors has set up a Succession plan to ensure that the Company has recruited suitable personnel from inside and outside the organization for every management position. Career Development Plan and Individual Development Plan are designed to prepare personnel with appropriate qualities and competency to be capable of performing duties in case of vacancies. The recruitment for the President will be conducted based on the selection procedure in which insiders and outsiders are considered in order to maintain transparency. Remuneration is published in the annual report.

## 12. Company Secretary

- In order to comply with the Securities and Exchange Act B.E. 2535 (edited version), section 89/15 and the good corporate governance principles of listed companies, the Board of Directors appointed Mr. Chalermchai Somboonpakorn as the Company Secretary on 15 July 2008. The Company Secretary is responsible for organizing the Board of Directors' and Shareholders' meetings in smooth and transparent manner according to related laws and regulations, prepare and keep the Company's directors information document, meeting invitations, and meeting minutes as well as provide advice on any laws, rules, regulations, good corporate governance principles and other activities required by the Capital Market Supervisory Board.

- The Company Secretary shall attend seminars and clarification and express his or her own view on any matters arranged by the Listed Company Supervisory Unit, which enhances the Company's Secretary works as well as increase efficiency of corporate governance practice. Shareholders can contact the Company Secretary through the Company's website.

## Internal Control

IRPC Plc. recognized the importance of internal control system with adequate and applicable the risk management for the Company's operation and for effective corporate management with ability to reduce risk that might cause damages to the Company's assets. In 2010, the Board of Directors reviewed and assessed the sufficiency of the internal control system covering the various aspects as follows;

### 1. Organization and Environment

The Board of Directors is responsible for managing company's structure and environment which is suitable for internal audit. They have identified clearly measurable goals and offered fair remuneration for employees. The company also encourages for honesty and ethics in business operation by conducting written disciplines. All managements and employees must comply with these. In case of violation, punishment will be applied. In addition, company has ensured that effective policies and regulations have been launched for preventing fraud and fair for all stakeholders.

### 2. Risk Management

The Risk Management Committee is responsible for managing risks based on plan, including improve risk management plan and regularly report risk factors on quarterly basis. Committee must follow and monitor company's risk closely. Apart from this, risk management representatives for each section would be appointed and responsible for collaborating risks in operational level. The company has communicated to management level as well as the representatives in order to strictly comply with risk plan.

### 3. Management's Operational Control

The Board of Directors supervises operations of the management to ensure that operations are in accordance with the Company's business policy. They has been designated clear power and authority for each level of management with stringent measures in assessing that business transactions are executed according to the law and emphasis on abiding by safety, health sanitation and environmental law to minimize business risks, take good care of community and environment to ensure balance of growth and support sustainable growth of the Company.

### 4. Information System and Data Communication

The Board of Directors has received necessary information in timely and efficient manner with adequate details. This has enabled the Board of Directors to efficiently oversee the performance of the management and ensure that shareholders have received sufficient information for monitoring the performance of the Board of Directors. It has also ensured that the management implement the generally accepted accounting principles that best address the nature of its business. The Company has developed advanced computer network that links information with the Company's core work process. International standard of information security is ensured to prevent possible damages to the information.

### 5. Monitoring System

The Board of Directors oversees and ensures that the Company has effective monitoring and that all functions have implemented the business plan and achieved the target. It has to ensure that the Internal Control System is constantly implemented, reviewed and improved to match the fluctuated environment while weaknesses are well addressed and solved.

In conclusion, by evaluating the sufficiency of the Company's internal control system for the year 2010, no significant deficiency has been found.

## Report of the Corporate Governance Committee

(Translation)

### Dear Shareholders,

IRPC's Board of Committee recognizes the importance of good corporate governance and set forth to conduct business with accountability, transparency and verifiable by considering the benefit of all stakeholders to promote sustainable development. The Corporate Governance Committee has been entrusted to set policy and promote the adherence of good corporate governance policy in accordance to the regulations stipulated by the Stock Exchange of Thailand and policy adopted by leading international corporation.

In 2010, the Corporate Governance Committee consisting of Mrs.Jantima Sirisaengtaksin, Chairman of Corporate Governance Committee, Mr.Prajya Phinyawat and Mr.Somma Khowkachaporn, directors of Corporate Governance Committee held 3 meetings to oversee the progress on corporate governance of the Company which could be summarized as follows :

#### 1. Preserve and Protect the Rights of Shareholder with Equality

The Corporate Governance Committee administered the meeting of 2010 Annual General Meeting of Shareholders on April 8, 2010 by setting policy and execution to promote equal utilization and preservation of rights entitled by shareholders in accordance to the Company's rules and related regulations. The Committee also ensured that shareholders were fully facilitated in exercising of legal rights whereby the Company was evaluated "Excellent" with the score of 96 points by the Thai Investors Association on the quality of organizing the 2010 Annual General Meeting of Shareholders.

#### 2. Support and Promoting the Role of Stakeholders

##### Shareholder

- Set up channel for reports or complaints on violation of law or suggestion that deemed useful to the Company which could be sent to the "Company Secretary" by mail or via the Company's website ([www.irpc.co.th](http://www.irpc.co.th)) which was recently developed to support this function since July 2010 whereby there has been no complaint in 2010.
- Initiated Shareholder's Newsletter as a channel to communicate directly with shareholders and enable them to monitor factual information on the Company's operation.

##### Employee

- The Company recognized the importance of human resource development and to enhance tangible employees' growth and development, the Company has announced that 2010 be The Year of Competency Development.
- Promote and stimulate management and employee to conduct their duties in ethical manner by preparing handbook on Code of Conduct with the purpose to identify code of conduct and rules to be cautioned or abstained which is to be abided by employees continuously and embodied into the corporate culture. This will also enhance the corporation to achieve its objective and be able to share with employees of all levels.
- Create awareness and promote knowledge and understanding to management and employee on how to conduct business based on the principle of Good Corporate Governance in various forms as follows :



- Post articles on good corporate governance in the quarterly "I-Aun" newsletter.
- Participate in PTT Group CG Day 2010 with the PTT Group
- Prepared video animation to be used by every division for in-house seminar.

#### **Business Partners**

- The Company's procurement department set up Business Partners Code of Ethics in relation to procurement to be used as a guideline for procurement to perform work with honesty and transparency.

#### **Customer**

- The Company continuously conducted customer satisfaction survey to better develop and improve services.
- To facilitate customers in conducting transaction and able to cope with market fluctuation in a timely manner which will reduce time and error in documentation, the Marketing Division has developed information technology system to support online trading i.e. IRON (IRPC Oil on Net) and IDEAL (IRPC Digital E-commerce Account and Logistic)

#### **Community and Environment**

The Company operates with regards to the safety of community, environment and quality of life and organized activity and projects on social and environmental care and responsibility to enhance future sustainable development based on the balance between the growth of the Company's operation together with environment and social care as follows :

- Social projects such as project establishing university (Rayong Province), community learning center, project promoting occupational group and mobile medical unit etc.
- Environmental projects such as mangrove ecosystem education development center KlongKonPuek and Phra Samut Chedi, environmental conservation project, reforestation to reduce global warming project and energy conservation project etc.
- Set up "Volunteer" project to cultivate employee to be generous with coworkers, community and society and be ready to spend time and serve physically and mentally for the greater good of the community. This Volunteer project has been make known to all divisions within the Company which had generated many social projects such as Youth Camp, Teach Our Youth, Landscape Improvement Project, various reforestation projects and collaboration with governmental bodies in helping flood victims in various provinces etc.

### **3. Development of roles and duties of director**

- The Company promotes and offers suitable training courses for directors to increase knowledge, understanding and the ability to set up effective and successful management strategy and policy.
- Review and evaluate the performance of the Board of Directors by introducing cross evaluation by other committee in addition to self evaluation and evaluation of the entire Board. Evaluation is also revised to emphasize on quality and performance to enhance good corporate governance.

#### 4. Information Disclosure and Transparency

- The Company's Investors Relation Division is responsible in preparing Report on the interest of Director and Executive in accordance to Securities and Exchange Act B.E.2535 which regulates that director and executives of listed companies must report each individual stake or the stake of any related individual which is associated with the management of the Company or subsidiaries.

- In order to provide information on operation and development of the Company to investors and local and foreign securities analysts, Investors Relation Department organized activities to provide information such as participation in annual Money Expo, SET in the City and the quarterly Analyst Meeting as well as provision of information through the Company's website.

- Provide the opportunity for shareholders to meet and receive information on the operating progress of the Company and to provide shareholders with a sense of ownership and enhance mutual amiable relationship, Investors Relation Division organized plant visit for 337 shareholders in 2010.

The Corporate Governance Committee received excellent support and cooperation from all related divisions. The Company recognized the importance and ensured continuous development of good corporate governance, as a result, the Company has been evaluated by good corporate governance of listed company assessment in 2010 organized by Thai Institute of Directors (IOD) whereby the Company achieved the overall score of "excellent" for the second consecutive year. This reflected the determination of directors, executives and employees of all level in fostering good corporate governance whereby the Company will hold as a guideline in managing to enhance the confidence of investors' and all stakeholders.

Jantima Sirisaengtaksin  
(Mrs.Jantima Sirisaengtaksin)  
Chairman of Corporate Governance Committee

## Juristic person that the Company has 10% or more shareholding

No.	Company	% of share holding	Paid up Capital
1	<b>Thai ABS Co., Ltd.</b> Address : 555/2, Energy Complex, Building B, 7 <sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900 Tel. 02 646 6700 Type of Business : manufacturing and sales of plastic resin	99.99%	2,500 Million Baht
2	<b>IRPC A&amp;L Co., Ltd.</b> Address : 555/2, Energy Complex, Building B, 9 <sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900 Tel. 02 649 7508 Type of Business : sales of plastic resin Remarks : subsidiaries of Thai ABS Co.,Ltd.	59.94%	10 Million Baht
3	<b>IRPC Oil Co., Ltd.</b> Address : 555/2, Energy Complex, Building B, 7 <sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900 Tel. 02 646 6666 Type of Business : sales of refined products	99.99%	2,000 Million Baht
4	<b>TPI Oil (2001) Co., Ltd.</b> Address : 555/2, Energy Complex, Building B, 7 <sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900 Tel. 02 646 6666 Type of Business : marine transportation services Remarks : subsidiaries of IRPC Oil Co.Ltd.	99.99%	110 Million Baht
5	<b>TPI Internet Portal Co., Ltd.</b> Address : 555/2, Energy Complex, Building B, 7 <sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900 Tel. 02 646 6700 Type of Business : sales of refined products Remarks : subsidiaries of IRPC Oil Co.Ltd.	99.89%	0.1 Million Baht
6	<b>IRPC Polyol Co., Ltd.</b> Address : 555/2, Energy Complex, Building B, 7 <sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900 Tel. 02 646 6700 Type of Business : manufacturing and sales of polyol	99.99%	300 Million Baht

No.	Company	% of share holding	Paid up Capital
7	<b>IRPC Technology Co., Ltd.</b> Address : 309 Moo 5 Sukhumvit Road, Choengnoen, Rayong 21000 Tel. 038 899 130-2 Type of Business : vocational school	99.99%	750 Million Baht
8	<b>Thai International Tanker Co., Ltd.</b> Address : 610/5-6, Song Wat Road, Chakkawat, Samphanthawong, Bangkok 10100 Tel. 02 622 6375 Type of Business : marine transportation services Remarks : subsidiaries of IRPC Oil Co., Ltd.	49.99%	281 Million Baht
9	<b>PTT Polymer Marketing Co., Ltd.</b> Address : 555/1, Energy Complex, Building A, 9 <sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900 Tel 02 348 6399 Type of Business : sales of plastic resin	25.00%	40 Million Baht
10	<b>United Grain Industry Co., Ltd.</b> Address : 26/56 TPI Tower, 27 <sup>th</sup> Floor, ChanTatMai Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 02 678 6988 Type of Business : manufacturing and sales of packaging products	18.05%	550 Million Baht
11	<b>Thai Special Steel Industries Plc.</b> Address : 26/56 TPI Tower, 19 <sup>th</sup> Floor, ChanTatMai Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 02 678 6500-10 Type of Business : manufacturing and sales of steel	16.24%	4,220 Million Baht
12	<b>Rayong Acetylene Co., Ltd.</b> Address : 2/3 Moo 14, Bangna-Trad Road, Km.6.5, Bangkaew, Bangplee, Samutprakarn 10540 Tel 02 338 6100 Type of Business : manufacturing and sales of acetylene gases	13.04%	115 Million Baht

Remarks : only include companies that has active operations

## Connected Transactions

Details of connected transactions between IRPC and its subsidiaries with connected parties occurred during 2009 and 2010 are as follows :

(Unit : Million Baht)

Connected Parties / Relationship Type	Transactions	2009	2010	Nature and Condition of transaction
<b>PTT Plc.</b> Relationship Type : - Major shareholder of IRPC, shareholding at 36.15% - Three common director : Mr.Norkun Sittiphong Mr.Prasert Bunsumpun Mr.Pichai Chunhavajira - PTT management on IRPC Board Mr.Prajya Phinyawat	- Sales of goods - Purchase of goods - Account receivable - Account payable - Administrative expenses - Other revenues (expenses) - Other receivable - Other payable	7,451 98,468 993 5,407 49 -255 324 12	16,369 132,665 755 5,189 60 -205 15 276	The Company sold petroleum products to PTT at market prices. The Company purchased crude oil and refined products from PTT at market prices. The Company paid personnel expenses and other administrative expenses to PTT Gain (Loss) from crack spread hedging contracts of crude oil and petroleum products
<b>PTT Chemical Plc. (PTTCH)</b> Relationship Type : - 48.74% of shares held by PTT - Two common director : Mr.Prasert Bunsumpun Mr.Prajya Phinyawat	- Sales of goods - Purchase of goods - Account receivable - Account payable - Administrative expenses	563 3,011 10 365 6	555 4,025 159 458 -	The Company sold aromatic to PTTCH at market prices. The Company purchased propylene ethylene from PTTCH at market prices.
<b>Thai Oil Plc. (TOP)</b> Relationship Type : - 49.10% of shares held by PTT - Two common director : Mr.Prajya Phinyawat Mr.Pichai Chunhavajira	- Sales of goods - Purchase of goods - Administrative expenses - Other revenues	272 455 1 1	488 607 - -	The Company sold refined oil products to TOP at market prices. The Company purchased crude oil from TOP at market prices.
<b>Thai Lube Base Plc. (TLB)</b> Relationship Type : - 99.99% of shares held by Thai Oil Plc. - Four Common directors : Mr.Prasert Bunsumpun Mr.Prajya Phinyawat Mr.Pichai Chunhavajira Mr.Somma Khawkachaporn	- Sales of goods - Purchase of goods - Account payable	349 791 99	828 6 -	The Company sold long residue to Thai Lube Base Plc. at market prices. The Company purchased lube base oil from Thai Lube Base Plc. at market price.
<b>Thai Para-xylene Co., Ltd. (TPX)</b> Relationship Type : - 99.99% of shares held by Thai Oil Plc. - One common directors : Mr.Prajya Phinyawat	- Sales of goods - Purchase of goods - Account payable	24 912 -	1,283 1,802 57	The Company sold mixed xylene to Thai Para-xylene Co.,Ltd. at market prices. The Company purchase Benzene from Thai Para-xylene at market prices.
<b>PTT Aromatic and Refining Plc. (PTTAR)</b> Relationship Type : - 48.63% of shares held by PTT - Three common directors : Mr.Norkun Sittiphong Mr.Prasert Bunsumpun Mr.Prajya Phinyawat	- Sales of goods - Purchase of goods - Purchase of goods - Account payable	317 104 - -	122 809 9 122	The Company sold Toluene to PTTAR at market prices. The Company purchased crude oil from PTTAR at market prices.
<b>Bangchak Petroleum Plc. (BCP)</b> Relationship Type : - 28.46% of shares held by PTT - One common directors : Mr.Pichai Chunhavajira	- Sales of goods - Purchase of goods - Account receivable	3,051 230 353	1,846 - -	The Company sold refined products to BCP at market prices. The Company purchased crude oil from BCP at market prices.

Connected Parties / Relationship Type	Transactions	2009	2010	Nature and Condition of transaction
<b>Star Petroleum Refining Co., Ltd. (SPRC)</b> Relationship Type : - 36.00% of shares held by PTT	- Purchase of goods - Purchase of goods	566 -	302 147	The Company purchased Liquefied Petroleum Gas and light naphtha from SPRC at market prices.
<b>PTT ICT Solutions Co., Ltd. (PTT ICT)</b> Relationship Type : - 20.00% of shares held by PTT	- Administrative expenses - Other account payable	4 2	20 -	The Company paid service expenses to PTT ICT.
<b>PTT Polymer Marketing Co., Ltd. (PTTPM)</b> Relationship Type : - 50.00% of shares held by PTT - 25.00% of shares held by IRPC - PTT management on IRPC Board Mr.Prajya Phinyawat - IRPC management on PTTPM Board : Mr.Pailin chuchottaworn Mr.Nuntachai Prapawatwech	- Sales of goods - Purchase of goods - Account receivable - Account payable - Administrative expenses	821 127 118 23 1	1,180 459 88 41 3	The Company sold plastic resins to PTTPM at market prices. The Company purchased plastic resins from PTTPM at market prices.
<b>Retail Business Alliance Co., Ltd. (RBA)</b> Relationship Type : - 49.00% of shares held by PTT	- Security service	58	-	The Company paid for security services to RBA.
<b>Business Service Alliance Co., Ltd.(BSA)</b> Relationship Type : - 25.00% of shares held by PTT	- Administrative expenses - Other account payable	- -	126 14	The Company paid personnel expenses to BSA
<b>PTT Retail Management Co.,Ltd. (PTTRM)</b> Relationship Type : - 99.99% of shares held by PTT Retail Business Co., Ltd.	- Personnel expenses - Service Revenues	3 -	5 3	The Company paid personnel expenses to PTTRM IRPC Oil Co., Ltd received Service Revenues from PTTRM
<b>PTT Polyethylene Co., Ltd.</b> Relationship Type : - 99.99% of shares held by PTTH - One common directors : Mr.Prajya Phinyawat	- Sales of goods - Account receivable	1 1	42 7	The Company sold solvent to PTT Polyethylene Co., Ltd. at market prices.
<b>Thai Styrenics Co., Ltd.</b> Relationship Type : - 99.99% of shares held by PTT Polyethylene Co., Ltd.	- Sales of goods - Account receivable	- -	163 20	The Company sold styrene Monomer to Thai Styrenics Co., Ltd. at market prices.
<b>Energy Complex Co., Ltd.</b> Relationship Type : - 50.00% of shares held by PTT	- Administrative expenses	-	62	The Company rental office from Energy Complex Co., Ltd. at market prices.
<b>PTT International Trading Co., Ltd.</b> Relationship Type : - 99.99% of shares held by PTT	- Purchase of goods - Gain from exchange	- -	51 2	The Company purchased cold propylene from PTT International Trading Co., Ltd at market prices.
<b>PTT Phenol Co., Ltd.</b> Relationship Type : - 40.00% of shares held by PTT - One common directors : Mr.Prajya Phinyawat	- Sales of goods	-	1	The Company sold Ethyl Benzene to PTT Phenol Co., Ltd at market prices.
<b>Nippon A&amp;L Co., Ltd.</b> Relationship Type : - 34.99% of shares held by IRPC A&L Co., Ltd.	- Purchase of goods	-	6	IRPC A&L Co., Ltd. purchased Acrylonitrile Ethylene Styrene from Nippon A&L Co., Ltd.
<b>Sak Chaisidhi Co., Ltd.</b> Relationship Type : - 80.52% of shares held by Thai Oil Plc.	- Sales of goods - Account receivable	253 13	404 34	The Company sold aromatic to Sak Chaisidhi Co., Ltd. at market prices.

## Policy and necessity of Connected Transactions

As IRPC and its subsidiaries operate refinery and fully integrated petrochemical complex which is similar to the operation of PTT Group of companies; hence, connected transaction between the Company and PTT's subsidiaries are inevitable and deem to be normal business operation. Connected transactions included buying and selling of raw material, petroleum products as well as other normal business transactions. Sales and purchase prices are determined at normal business value or at market reference price. The Company has made prudent, rational and independent evaluation on the connected transactions for the highest benefits of the Company.

The Board of Directors approved in principle, allowing the management to approve transaction which has similar trade conditions to other agreement that normal business would generally does with its trade partners in similar situation and with bargaining power which is free from influence of the authorized person who is the director, executive or related person according to the Securities and Exchange Act (No.4) B.E. 2551, article 89/12 (1)

## Connected Transactions Measures

The Company's Board of Directors considers appropriateness and utmost benefit of each connected transaction to the Company as well as compliance with rules and regulations of Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and regard connected transactions, the Company's Articles of Association has outlined Connected Transactions Measures as follows :

"In case the Company or subsidiaries decides to enter into a connected transaction, acquisition or disposition of assets which is deemed as a connected transaction as stipulated in the Regulations of the SET, the Company shall comply with what is stated in such terms."

"In case the Company needs to seek approval from shareholders for a decision to enter into a connected transaction concerning the acquisition and disposition of assets, a resolution of the Shareholder's Meeting to approve the decision must consist of at least three quarters (3/4) of the total votes of shareholders/proxies attending the meeting and having voting rights, excluding interested shareholder's equity."

## Policy for Future Connected Transactions

The Company's future connected transactions will be conducted on normal course of business where the Company considered reasonable and appropriate. The Company will preserve a principle for product purchases and sales to be determined on market prices and to be conducted on an arm's length basis to uphold fairness to all stakeholders and strictly comply to good corporate governance policy, SEC/SET regulations regard connected transactions. Any directors with possible conflicts of interest are not allowed to present in the meeting nor to vote on related matters.

## Comments of the Audit Committee

The Audit Committee had reviewed and opined on the connected transactions of year 2009 that "The connected transactions were conducted on normal course of business at an arm's length based on appropriate referred market price and comply to the requirement regard connected transaction of Securities Exchange Commission and the Stock Exchange of Thailand."

## Report of the Audit Committee

(Translation)

### Dear Shareholders,

IRPC's Audit Committee, consisting of 3 independent directors who performed its duty and taken responsibility as assigned by the Board of Directors with integrity and independence within the scope of duties pursuant to the regulations of the Audit Committee Charter and the stipulation of the Stock Exchange of Thailand.

There were 14 audit committee meetings held in 2010 with complete participation of every audit director. All concerned management, company's independent and internal auditor participated in meetings of related agenda. In addition, meetings had been set up with the Company's independent auditor without the presence of management to discuss various matters concerning auditing. The Audit Committee encouraged IRPC to comply with the corporate governance practice which can be summarized as follows;

1. Reviewed quarterly and annual financial statements to ensure that the financial statements are prepared in compliance with GAPP and has adequately disclosed accurate information.
2. Reviewed and addressed opinion on connected transactions or transactions with possible conflict of interest to ensure that the disclosure is in compliance with the rules and regulations prescribed by the Stock Exchange of Thailand and related laws whereby the company has acted thoroughly, reasonably and fairly.
3. Reviewed risk management, risk mitigation plan and managing risk at acceptable level by promoting internal communication especially of risk prevention to enhance organization efficiency and goal achievement, whereby the Company's Risk Management Committee managed risk base on plan as well as improved the risk management plan and reported its progress to the Audit Committee on quarterly basis.
4. Ensured that the Company has duly complied with the Securities and Exchange Act, the Stock Exchange of Thailand (SET)'s regulations and other laws relating to the Company's business.
5. Reviewed and governed the Internal Audit function whereby the Audit Committee examined and approved the annual internal audit plan for year 2011 by focusing at important risk factor involving the firm's operations.
6. Considered, selected and nominated Company's external auditor and their remunerations for 2010 base on nomination and remuneration and the Audit Committee resolved to appoint PricewaterhouseCoopers ABAS Limited as an auditor of both IRPC Plc. and its subsidiaries.

The Audit Committee has meticulously performed its duty cautiously, thoroughly and independently which enabled the Company to appropriately, adequately and efficiently manage risk continually with accurate and reliable financial reports to the utmost benefits of shareholders, investors and all stakeholders.

Cherdpong Siriwit  
(Mr.Cherdpong Siriwit)  
Chairman of the Audit Committee



## Report of Board of Directors' Responsibility for Financial Reporting

The financial statements of IRPC Public Company Limited and its subsidiaries have been prepared and consolidated in compliance with notification of Department of Commercial Registration dated 14 September 2001 issued under the third paragraph of section 11 of Accounting Act. B.E.2543 (2000) and in prepared in accordance with Thai Account Standard (TAS) promulgated by the Institute of Certified Accountant and Auditors of Thailand.

The Board of Directors is responsible for the integrity and objectivity of the financial statements of IRPC Public Company Limited and its subsidiaries, to ensure the financial statements accurately and fairly present financial position, operating performance, and cash flows for the year 2010. The Company appropriately and adequately maintained the books and records of all transactions to properly safeguarded company's assets, including the control systems designed to protect against fraud and irregularity transactions. The financial statements have been prepared with the chosen accounting policy deemed appropriate and applied on the consistency basis in compliance with generally accepted accounting principles. Significant information has been adequately disclosed in note to financial statements, in which the independent auditor expressed an opinion on the financial statements of IRPC Public Company Limited and its subsidiaries in the Audit Report of Certified Public Accountant.



(Mr.Norkun Sittiphong)  
Chairman



(Mr.Pailin Chuchottaworn)  
President



## Auditor's Report

### To the shareholders of IRPC Public Company Limited

I have audited the accompanying consolidated and company balance sheets as at 31 December 2010 and 2009, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the years then ended of IRPC Public Company Limited and its subsidiaries and of IRPC Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2010 and 2009, and the consolidated and company results of operations, and cash flows for the years then ended of IRPC Public Company Limited and its subsidiaries and of IRPC Public Company Limited, respectively, in accordance with generally accepted accounting principles.



Nangnoi Charoenthaveesub  
Certified Public Accountant (Thailand) No. 3044  
PricewaterhouseCoopers ABAS Limited  
Bangkok  
15 February 2011

## Balance Sheets

### IRPC Public Company Limited

As at 31 December 2010 and 2009

	Notes	Consolidated		Company	
		2010 Baht	2009 Baht	2010 Baht	2009 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	4,770,201,346	5,162,813,655	3,306,831,851	4,396,584,010
Short-term investments - net	8	1,408,500,000	769,500,000	1,408,500,000	769,500,000
Trade accounts receivable - net	9, 32	11,056,282,199	8,027,648,632	12,499,239,246	9,408,281,870
Amounts due from related parties - net	32	18,967,767	328,383,110	25,843,723	392,226,996
Short-term loans to and interest receivables from related parties - net	32	-	-	73,943,661	167,936,662
Inventories - net	10	30,101,451,753	30,634,794,003	28,873,823,202	29,582,376,263
Other receivables	11	171,948,622	298,733,261	165,765,980	250,247,346
Refundable value added tax		1,013,271,237	1,776,419,183	1,004,491,362	1,770,826,775
Prepaid excise tax		322,670,286	477,157,473	322,670,286	477,157,473
Other current assets	34	443,823,370	679,279,863	380,344,612	592,961,930
<b>Total current assets</b>		<b>49,307,116,580</b>	<b>48,154,729,180</b>	<b>48,061,453,923</b>	<b>47,808,099,325</b>
<b>Non-current assets</b>					
Investments in subsidiaries and associates - net	12	73,320,659	44,320,822	4,509,064,227	4,537,189,058
Other long-term investments - net	13	48,333,800	34,839,456	46,594,527	33,588,027
Loans to and interest receivables from related parties - net	2,3, 32	3,292,812,913	-	4,613,018,179	3,839,794,137
Transactions with the former company's management and entities relating to the former management - net	33	71,844,304	71,844,304	37,566,792	37,566,792
Property, plant and equipment - net	14	66,166,116,327	64,279,963,438	59,989,668,251	57,010,265,826
Intangible assets - net	15	1,462,752,370	1,564,986,986	1,458,008,541	1,564,986,986
Other non-current assets - net	16	35,900,605	43,622,568	34,681,852	42,888,250
<b>Total non-current assets</b>		<b>71,151,080,978</b>	<b>66,039,577,574</b>	<b>70,688,602,369</b>	<b>67,066,279,076</b>
<b>Total assets</b>		<b>120,458,197,558</b>	<b>114,194,306,754</b>	<b>118,750,056,292</b>	<b>114,874,378,401</b>

The notes to the consolidated and company financial statements from pages 130 to 194 are an integral part of these financial statements.

## Balance Sheets (continued)

## IRPC Public Company Limited

As at 31 December 2010 and 2009

	Notes	Consolidated		Company	
		2010 Baht	2009 Baht	2010 Baht	2009 Baht
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	17	6,000,000,000	5,500,000,000	6,000,000,000	5,500,000,000
Trade accounts payable	19, 32	6,973,782,169	9,010,567,175	7,920,363,635	10,509,429,598
Amounts due to related parties	32	294,043,646	16,380,917	321,717,326	46,704,094
Short-term loans from and interest payables to related parties	32	-	-	-	2,292,004,884
Current portion of finance lease liabilities	18	24,748,313	25,457,761	24,571,067	25,297,254
Other payables		1,917,503,917	2,401,629,919	1,872,193,246	2,362,867,508
Advance received from exercising warrants under the Employee Stock Option Program in the process for registration	37	153,238,167	110,375,173	153,238,167	110,375,173
Accrued interest expenses		307,233,783	306,957,586	307,233,783	306,957,586
Accrued bonus expenses		1,114,177,707	924,018,918	1,037,739,541	870,650,270
Advance receipts for goods		788,656,448	803,856,026	666,025,021	697,875,192
Other current liabilities	34	531,115,770	612,435,965	405,866,249	509,555,462
<b>Total current liabilities</b>		<b>18,104,499,920</b>	<b>19,711,679,440</b>	<b>18,708,948,035</b>	<b>23,231,717,021</b>
<b>Non-current liabilities</b>					
Long-term borrowings - net	17	24,347,898,141	22,371,167,133	24,347,898,141	22,371,167,133
Financial lease liabilities	18	58,845,987	85,120,722	58,421,181	84,518,387
Loans from and interest payables to related parties	2,3, 32	2,254,892,788	-	2,254,892,788	-
Transactions with the former company's management and entities relating to the former management	33	113,261,322	125,683,804	112,538,619	112,538,619
<b>Total non-current liabilities</b>		<b>26,774,898,238</b>	<b>22,581,971,659</b>	<b>26,773,750,729</b>	<b>22,568,224,139</b>
<b>Total liabilities</b>		<b>44,879,398,158</b>	<b>42,293,651,099</b>	<b>45,482,698,764</b>	<b>45,799,941,160</b>

The notes to the consolidated and company financial statements from pages 130 to 194 are an integral part of these financial statements.

## Balance Sheets (continued)

## IRPC Public Company Limited

As at 31 December 2010 and 2009

	Notes	Consolidated		Company	
		2010 Baht	2009 Baht	2010 Baht	2009 Baht
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	20				
Authorized shares		20,475,000,000	20,475,000,000	20,475,000,000	20,475,000,000
(Ordinary shares 20,475 million shares of par Baht 1)					
Issued and paid-up shares		20,169,813,900	19,829,150,400	20,169,813,900	19,829,150,400
(Ordinary shares 20,475 million shares of par Baht 1)					
Premium on share capital	20	28,056,754,347	27,416,306,967	28,056,754,347	27,416,306,967
Changes in fair value of marketable securities - available-for-sale	13	3,889,170	(9,605,174)	7,167,225	(5,839,275)
Retained earnings					
Appropriated for legal reserve	21	2,047,500,000	2,047,500,000	2,047,500,000	2,047,500,000
Unappropriated		25,378,900,719	22,796,148,250	22,986,122,056	19,787,319,149
<u>Less</u> Treasury stock - own shares held by the subsidiaries	22	(134,714,649)	(226,501,324)	-	-
Premium on treasury stock	22	12,759,080	-	-	-
<b>Total equity attributable to   the parent company</b>		<b>75,534,902,567</b>	<b>71,852,999,119</b>	<b>73,267,357,528</b>	<b>69,074,437,241</b>
Minority interests	23	43,896,833	47,656,536	-	-
<b>Total shareholders' equity</b>		<b>75,578,799,400</b>	<b>71,900,655,655</b>	<b>73,267,357,528</b>	<b>69,074,437,241</b>
<b>Total liabilities and shareholders' equity</b>		<b>120,458,197,558</b>	<b>114,194,306,754</b>	<b>118,750,056,292</b>	<b>114,874,378,401</b>

The notes to the consolidated and company financial statements from pages 130 to 194 are an integral part of these financial statements.

## Statements of Income

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

	Notes	Consolidated		Company	
		2010 Baht	2009 Baht	2010 Baht	2009 Baht
Sales	32	221,611,018,794	166,036,379,530	229,877,043,682	172,564,279,658
Cost of sales		(212,265,655,970)	(156,020,771,235)	(221,218,734,295)	(163,656,530,426)
<b>Gross profit</b>		<b>9,345,362,824</b>	<b>10,015,608,295</b>	<b>8,658,309,387</b>	<b>8,907,749,232</b>
Other income/(other expenses)	24	1,857,441,254	165,276,310	2,369,093,850	(82,213,803)
Selling expenses		(1,141,423,372)	(1,068,257,715)	(1,246,354,769)	(1,193,022,061)
Administrative expenses	25	(3,114,999,301)	(2,570,636,144)	(2,326,854,015)	(2,373,014,828)
Directors' and management's remuneration	32	(126,001,798)	(92,167,534)	(114,793,131)	(83,594,824)
<b>Profit from operations</b>		<b>6,820,379,607</b>	<b>6,449,823,212</b>	<b>7,339,401,322</b>	<b>5,175,903,716</b>
Finance costs	27	(532,678,441)	(990,849,497)	(532,622,948)	(990,740,527)
Share of profit of investments in associates		28,999,838	16,629,543	-	-
<b>Profit before income tax</b>		<b>6,316,701,004</b>	<b>5,475,603,258</b>	<b>6,806,778,374</b>	<b>4,185,163,189</b>
Income tax	28	(130,044,868)	(51,014,114)	-	-
<b>Net profit</b>		<b>6,186,656,136</b>	<b>5,424,589,144</b>	<b>6,806,778,374</b>	<b>4,185,163,189</b>
<b>Profit attributable to :</b>					
Equity holders of the parent		6,182,686,363	5,415,496,380	6,806,778,374	4,185,163,189
Minority interests		3,969,773	9,092,764	-	-
<b>Net profit for the year</b>		<b>6,186,656,136</b>	<b>5,424,589,144</b>	<b>6,806,778,374</b>	<b>4,185,163,189</b>
<b>Earnings per share for profit attributable to the equity holders of the parent (Baht)</b>	29				
Basic		0.31	0.27	0.34	0.21
Diluted		0.31	0.27	0.34	0.21

The notes to the consolidated and company financial statements from pages 130 to 194 are an integral part of these financial statements.

## Statement of Changes in Shareholders' Equity IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

Consolidated												
Attributable to equity holders of the parent												
	Notes	Issued and paid-up share capital	Premium on share capital	Changes in fair value of investments	Retained earnings		Shares held by the subsidiaries	Premium on treasury stock	Total	Minority interests	Total	
					Legal reserve	Unappropriated						Baht
Balances at 1 January 2009		19,705,570,300	27,183,976,379	(91,679,763)	2,047,500,000	20,527,261,505	(226,501,324)	-	69,146,127,097	48,374,336	69,194,501,433	
Available-for-sale investments		-	-	82,074,589	-	-	-	-	82,074,589	-	82,074,589	
- Gain recognised in equity		-	-	-	-	5,415,496,380	-	-	5,415,496,380	9,092,764	5,424,589,144	
Net profit for the year	20	123,580,100	232,330,588	-	-	-	-	-	355,910,688	-	355,910,688	
Ordinary shares		-	-	-	-	(3,146,609,635)	-	-	(3,146,609,635)	(9,810,564)	(3,156,420,199)	
Dividends paid	30	-	-	-	-	-	-	-	-	-	-	
Balances at 31 December 2009		19,829,150,400	27,416,306,967	(9,605,174)	2,047,500,000	22,796,148,250	(226,501,324)	-	71,852,999,119	47,656,536	71,900,655,655	
Balances at 1 January 2010		19,829,150,400	27,416,306,967	(9,605,174)	2,047,500,000	22,796,148,250	(226,501,324)	-	71,852,999,119	47,656,536	71,900,655,655	
Available-for-sale investments		-	-	13,494,344	-	-	-	-	105,281,019	-	105,281,019	
- Gain recognised in equity	13	-	-	-	-	6,182,686,363	91,786,675	-	6,182,686,363	3,969,773	6,186,656,136	
Net profit for the year		-	-	-	-	-	-	-	-	(450)	(450)	
Impact from de-consolidation		-	-	-	-	-	-	12,759,080	993,869,960	-	993,869,960	
Ordinary shares	20	340,663,500	640,447,380	-	-	-	-	-	-	-	-	
Dividends paid	30	-	-	-	-	(3,599,933,894)	-	-	(3,599,933,894)	(7,729,026)	(3,607,662,920)	
Balances at 31 December 2010		20,169,813,900	28,056,754,347	3,889,170	2,047,500,000	25,378,900,719	(134,714,649)	12,759,080	75,634,902,567	43,896,833	75,578,799,400	

The notes to the consolidated and company financial statements from pages 130 to 194 are an integral part of these financial statements.



## Statement of Changes in Shareholders' Equity (continued)

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

	Notes	Company						Total Baht
		Issued and paid-up share capital Baht	Premium on share capital Baht	Changes in fair value of investments Baht	Retained earnings		Unappropriated Baht	
					Legal reserve Baht	Unappropriated Baht		
Balances at 1 January 2009		19,705,570,300	27,183,976,379	(13,109,275)	2,047,500,000	18,755,913,756	67,679,851,160	
Available-for-sale investments		-	-	7,270,000	-	-	7,270,000	
- Gain recognised in equity		-	-	-	-	4,185,163,188	4,185,163,188	
Net profit for the year		-	-	-	-	-	-	
Ordinary shares	20	123,580,100	232,330,588	-	-	-	355,910,688	
Dividends paid	30	-	-	-	-	(3,153,757,795)	(3,153,757,795)	
<b>Balances at 31 December 2009</b>		<b>19,829,150,400</b>	<b>27,416,306,967</b>	<b>(5,839,275)</b>	<b>2,047,500,000</b>	<b>19,787,319,149</b>	<b>69,074,437,241</b>	
Balances at 1 January 2010		19,829,150,400	27,416,306,967	(5,839,275)	2,047,500,000	19,787,319,149	69,074,437,241	
Available-for-sale investments		-	-	13,006,500	-	-	13,006,500	
- Gain recognised in equity	13	-	-	-	-	6,806,778,374	6,806,778,374	
Net profit for the year		-	-	-	-	-	-	
Ordinary shares	20	340,663,500	640,447,380	-	-	-	981,110,880	
Dividends paid	30	-	-	-	-	(3,607,975,467)	(3,607,975,467)	
<b>Balances at 31 December 2010</b>		<b>20,169,813,900</b>	<b>28,056,754,347</b>	<b>7,167,225</b>	<b>2,047,500,000</b>	<b>22,986,122,056</b>	<b>73,267,357,528</b>	

The notes to the consolidated and company financial statements from pages 130 to 194 are an integral part of these financial statements.

## Statements of Cash Flows

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
<b>Cash flows from operating activities</b>				
Profit attributable to equity holders of the parent	6,182,686,363	5,415,496,380	6,806,778,374	4,185,163,189
<b>Adjustments to reconcile net profit to net cash provided by operating activities</b>				
- Depreciation	3,203,821,572	3,159,597,380	2,916,420,131	2,911,805,380
- Amortisation	179,736,728	176,550,691	179,706,303	176,550,692
- Interest income	(68,568,207)	(65,418,162)	(82,558,050)	(90,337,305)
- Dividends income	(39,212,388)	(41,198,860)	(569,212,280)	(39,198,860)
- Bad debts and doubtful accounts	30,783,958	248,368	(628,688,244)	(1,187,608)
- Allowance for declining in value of inventories	(58,853,175)	(4,975,216,345)	(60,629,375)	(4,953,617,233)
- Unrealised (gains)/ losses on exchange rate	(15,449,167)	17,818,698	(17,391,448)	17,677,516
- Unrealised (gains)/ losses from changes in fair value of financial instruments	(125,162,970)	338,931,901	(125,162,970)	338,931,901
- Gains from disposals and revaluation of investments	(639,000,000)	(298,710,160)	(639,000,000)	(356,710,540)
- (Gains)/ losses from disposals of fixed assets	32,555,407	5,873,787	14,956,508	(16,314,417)
- Allowance/(reversal of) for impairment of fixed assets	(90,716,341)	250,082,307	(86,758,536)	578,371,771
- Share of profit of investments in associates - equity method	(28,999,838)	(16,629,543)	-	-
- Profit attributable to minorities	3,969,773	9,092,764	-	-
- Income tax	130,044,868	51,014,114	-	-
- Finance costs	532,678,441	990,849,497	532,622,948	990,740,527
	9,230,315,025	5,018,382,817	8,241,083,361	3,741,875,013
<b>Changes in operating assets and liabilities</b>				
- Trade accounts receivable	(3,041,228,356)	(1,989,711,630)	(3,104,017,638)	(2,720,961,950)
- Inventories	592,195,424	(5,928,483,742)	769,182,436	(6,539,930,228)
- Other receivables	113,792,222	(277,670,884)	84,648,739	(332,417,261)
- Amounts due from related parties	309,415,342	(190,833,271)	366,383,275	(191,795,263)
- Refundable value added tax	762,951,843	(26,581,146)	766,335,413	(21,495,327)
- Prepaid excise tax	154,487,187	(403,336,287)	154,487,187	(403,336,287)
- Other current assets	135,187,121	166,522,524	231,458,202	147,926,023
- Trade accounts payable	(2,039,843,012)	4,539,012,444	(2,590,162,981)	4,964,749,964
- Other payables	(232,218,349)	766,796,715	(305,671,928)	789,979,739
- Amounts due to related parties	277,662,728	(62,741,178)	275,013,232	(8,472,428)
- Accrued bonus expenses	190,158,789	364,528,203	167,089,271	359,159,837
- Advance receipts for goods	(15,199,577)	16,003,263	(31,850,172)	41,694,000
- Other current liabilities	(81,044,293)	(178,188,507)	(23,726,084)	(170,213,066)
- Proceeds from withholding tax refund	84,593,596	51,558,705	-	45,394,948
Net cash provided by/ (used in) operating activities	6,441,225,689	1,865,258,026	5,000,252,314	(297,842,286)
- Income tax paid	(115,301,656)	(94,202,835)	(32,853,737)	(35,635,131)
<b>Cash inflows/ (outflows) from operating activities</b>	<b>6,325,924,033</b>	<b>1,771,055,191</b>	<b>4,967,398,577</b>	<b>(333,477,417)</b>

The notes to the consolidated and company financial statements from pages 130 to 194 are an integral part of these financial statements.

## Statements of Cash Flows (continued)

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
<b>Cash flows from investing activities</b>				
Interest received	69,421,324	71,706,697	65,027,161	95,754,276
Dividends received	39,212,388	41,198,860	569,212,280	39,198,860
Net cash received from disposals of short-term investments	-	24,920,437	-	24,920,437
Short-term loans to related parties	-	-	(928,069)	(65,000)
Long-term loans to related parties	-	-	-	1,470,000,000
Proceeds from capital reduction in a subsidiary	-	-	28,124,831	-
Proceeds from disposals of long-term investments	-	42,000,000	-	380
Purchases of fixed assets	(6,173,162,525)	(3,083,614,686)	(5,925,404,906)	(2,635,771,723)
Proceeds from disposals of fixed assets	46,259,257	60,309,961	43,580,181	52,570,551
Increase in intangible assets	(75,911,213)	(27,237,521)	(71,136,960)	(27,237,521)
Decrease in other non-current assets	6,131,064	6,765,731	6,615,499	3,487,510
<b>Net cash used in investing activities</b>	<b>(6,088,049,705)</b>	<b>(2,863,950,521)</b>	<b>(5,284,909,983)</b>	<b>(977,142,230)</b>
<b>Cash flows from financing activities</b>				
Interest paid net of interest rate swap contracts and financing fees	(1,336,467,510)	(1,378,173,180)	(1,373,524,114)	(1,378,127,848)
Dividends paid	(3,599,933,894)	(3,146,609,635)	(3,607,975,467)	(3,153,757,796)
Proceeds/(payments) on termination of swap contracts	(24,891,653)	113,112,613	(24,891,653)	113,112,614
Proceeds/(payments) on short-term loans from financial institutions	500,000,000	(2,750,000,000)	500,000,000	(2,750,000,000)
Proceeds from long-term loans from financial institutions	2,737,000,000	4,792,000,000	2,737,000,000	4,792,000,000
Payments on repurchases of debentures	-	(339,881,236)	-	(339,881,236)
Payments on financial lease	(26,984,183)	(27,747,327)	(26,823,393)	(25,608,294)
Decrease in other non-current liabilities	-	(13,562,318)	-	(13,562,317)
Proceeds from issuance of ordinary shares	1,085,656,635	355,910,688	981,110,880	355,910,688
Net cash received in advance from exercising warrants under Employee Stock Option Program	42,862,994	110,375,173	42,862,994	110,375,173
Dividends paid - minority interests	(7,729,026)	(9,810,563)	-	-
<b>Net cash used in financing activities</b>	<b>(630,486,637)</b>	<b>(2,294,385,785)</b>	<b>(772,240,753)</b>	<b>(2,289,539,016)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(392,612,309)</b>	<b>(3,387,281,115)</b>	<b>(1,089,752,159)</b>	<b>(3,600,158,663)</b>
Cash and cash equivalents at beginning of the year	5,162,813,655	8,550,094,770	4,396,584,010	7,996,742,673
<b>Cash and cash equivalents at end of the year</b>	<b>4,770,201,346</b>	<b>5,162,813,655</b>	<b>3,306,831,851</b>	<b>4,396,584,010</b>
<b>Non-cash transactions</b>				
Purchase of vehicles under the financial lease	-	24,085,861	-	24,085,861
Accounts payable - purchases of fixed assets	288,994,010	460,787,903	272,174,374	457,026,077

The notes to the consolidated and company financial statements from pages 130 to 194 are an integral part of these financial statements.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 1 General information

IRPC Public Company Limited (“the Company”) is a public company incorporated and resident in Thailand. The address of the Company’s registered office is 299 Moo 5, Sukhumvit Road, Choengnuean District, Aumthur Muang, Rayong Province. The Company’s and subsidiaries’ offices are relocated from Sun Tower and Lao Peng Nguan Buildings to 555/2 Energy Complex, Building B, 6<sup>th</sup> floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900. The Company made the announcement of office relocation to the Stock Exchange of Thailand on 25 March 2010.

The Company is listed on the Stock Exchange of Thailand. For reporting purpose, the Company and its subsidiaries and associates are referred to as ‘the Group’.

The Group is engaged in Petrochemicals and Petroleum with its products being plastic resins, refinery products, lubricant base oil and other petrochemical products.

These consolidated and company financial statements were authorised for issue by the Board of Directors on 15 February 2011.

#### 2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below :

##### 2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The consolidated and company financial statements have been prepared under the historical cost convention except the measurement of trading investments, available-for-sale investments and derivative instruments, which have been explained in the relevant accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

An English version of the consolidated and company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework

#### a) Accounting framework

The amendment to the accounting framework became effective on 26 May 2010.

#### b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards

The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Group has not early adopted them :

#### *Effective for the periods beginning on or after 1 January 2011*

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Share-based Payment

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (continued)

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (continued)

#### *Effective for the periods beginning on or after 1 January 2011 (continued)*

TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

The Group will apply new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (collectively “the accounting standards”) from 1 January 2011. The Group’s management assessed and determined that there are no significant impacts to financial statements being presented except the following accounting standards.

- TAS 1 (Revised 2009) states that an entity shall present all items of income and expense recognised in a period in a single statement (the statement of comprehensive income) or in two statements (the separate income statement and statement of comprehensive income). In addition, this revised standard requires an entity to present a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity makes a retrospective restatement or reclassifies items in the financial statements. However, for the financial statements where the period begins on or after 1 January 2011 and the first period apply in which the revised standards are applied, an entity can choose to present its statement of financial position using only two statements without the statement of financial position as at the beginning comparative period. The Group has decided to present the income statement and statement of comprehensive income separately.

- TAS 16 (Revised 2009) requires that the cost of an item of property, plant and equipment includes the costs of its dismantlement, removal or restoration, the obligation for which an entity incurs as a consequence of installing the item. Each significant component of property, plant and equipment is required to be separately identified and depreciated if the useful life of each significant component differs from other components. In addition, useful lives and residual values of the property, plant and equipment are required to be reviewed and adjusted, if appropriate, at least annually. The Group has expected that no significant effect of the revised standard on the property, plant and equipment.

- TAS 19 prescribes the accounting and disclosure by employers for employee benefits. The standard identifies 4 categories of employee benefits which are a) short-term employee benefits, b) post-employment benefits including defined contribution plan and defined benefit plan, c) other long-term employee benefits and d) termination benefits. The standard requires an entity to measure the defined benefit plan and other long-term employee benefits by using the Projected Unit Credit method (PUC). The entity can choose to recognise any actuarial gain or loss for defined benefit plan either in other

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (continued)

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (continued)

comprehensive income or profit and loss. Actuarial gain or loss for other long-term employee benefit is to be recognised in profit and loss. The Group will apply this standard retrospectively and the effects to the retained earnings and non-current liabilities as at 31 December 2010 are Baht 872 million in the consolidated financial statements and Baht 803 million in the company financial statements.

- TAS 24 (Revised 2009), the definition of related party has been expanded include parties with joint control over the entity, joint venture in which the entity is a venturer and post-employment benefit plan for the benefit of employees of an entity. This revised standard may impact only to the disclosure of related party information in the notes to financial statements.

- TAS 27 (Revised 2009) prescribes an accounting for changes in ownership interest in a subsidiary. The revised standard requires changes in a parent's ownership interest in a subsidiary, including all transactions with non-controlling interests that do not result in the loss of control to be accounted for in equity. When the entity loses control of a subsidiary, any investment retained in the former subsidiary is measured at its fair value and any gain or loss is recognised in profit or loss. The accounting for such changes in ownership interest shall be applied prospectively.

- TAS 31 (revised 2009) requires that when an investor ceases to have joint control over an entity, it shall account for any remaining investment at fair value and recognise any gain or loss in profit and loss.

- TAS 40 (Revised 2009) prescribes the accounting and disclosure for investment property. An entity is required to present an investment property separately in the statement of financial position. The entity may choose to measure the investment property either by the cost model or the fair value model. Under the fair value model, any changes in fair value are recognised in profit or loss. The Group will apply the cost model for measurement and investment property of Baht 2,242 million and Baht 1,295 million (net of allowance for impairment) in the consolidated and company balance sheet as at 31 December 2010, respectively, will be presented separately. Previously, this has been presented under property, plant and equipment.

- TFRS 2 deals with accounting for transactions in which an entity receives goods or services as a consideration for either :

- Equity instruments of the entity (equity-settled) which are recognised as equity; or
- Cash or other assets, for which the amount is based on the price or value of the entity's share (cash-settled) which is recognised as liability

The measurement of the transaction is based on the fair value of the goods or service received. The equity-settled transactions are not re-measured once the grant date fair value has been determined. The cash-settled transactions are

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (continued)

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (continued)

required to re-measured at each date of the statement of financial position and at the date of settlement, with change in fair value recognised in profit or loss. However, employee stock options (as mentioned in Note 20) were approved by the Shareholders' meeting before 1 January 2011; thus, they are exempt under this standard.

- TFRS 3 (Revised 2009) continues to apply the acquisition method to business combinations, unless it is a combination involving entities or businesses under common control. Examples of significant changes in the revised standard are (a) all payments to a business acquisition, including contingent considerations shall be recognised at fair value on the acquisition date and changes in fair value of contingent consideration classified as a liability are recognised in profit or loss, (b) for each business combination, the acquirer shall measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, and (c) all acquisition-related costs should be expensed in the periods in which the costs are incurred, etc. The revised standard shall be applied prospectively to business combinations from 1 January 2011.

#### *Effective for the periods beginning on or after 1 January 2013*

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Group has not adopted the above accounting standards. The Group's management is in the process of reviewing the impacts of those accounting standards.

- TAS 12 prescribes the accounting treatment for income taxes, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. To apply this standard, it requires the entity to adjust retrospectively.

- TAS 20 (Revised 2009) Accounting for Government Grants and Disclosure of Government Assistance is not relevant to the Group.

- TAS 21 (Revised 2009) requires each individual entity to determine its functional currency which is a currency of the primary economic environment in which the entity operates. Foreign currency transactions are required to be translated



## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (continued)

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (continued)

into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rate of monetary items denominated in foreign currency are recognised in profit or loss. In addition, the results and financial position of all the group entities that have a functional currency difference from the presentation currency are translated in the presentation currency by (a) assets and liabilities are translated at the closing rate at the date of that statement of financial position b) income and expenses are translated at exchange rate at the date of the transactions and c) all resulting exchange differences are recognised in other comprehensive income. To apply this standard, it requires the entity to adjust retrospectively.

A summary of the impacts from applying the new standards and revised standards that will be effective on 1 January 2011 is as follows :

	Consolidation Baht million	Company Baht million
<b>As at 31 December 2010</b>		
Decrease in retained earnings	(872)	(803)
Increase in non-current liabilities - employee benefits	872	803
Increase in investment property, net of allowance for impairment	2,242	1,295
Decrease in property, plant and equipment, net of allowance for impairment	(2,242)	(1,295)
<b>For the year ended 31 December 2010</b>		
Decrease in net profit	(73)	(66)
Decrease in earnings per share	-	-

### 2.3 Financial statements of a subsidiary - TPI Aromatics Public Company Limited

The consolidated financial statements for the nine-month period ended 30 September 2010 and the consolidated financial statements for the year ended 31 December 2009 include the financial information of the subsidiary. The financial information was prepared by the management of the Company and has not yet been audited or reviewed by its auditor because the subsidiary has ceased its operation and the Company, as the major shareholder, is in the process of removing the directors under the former management and to dissolve such subsidiary.

However, during the fourth quarter of 2010, the Company noted that TPI Polene Public Company Limited which is a creditor of the subsidiary has filed for bankruptcy to the subsidiary claiming that the subsidiary has not repaid the debts, has excessive liabilities and is no longer in operation. On 7 June 2010, the Central Bankruptcy Court sentenced the subsidiary to absolute receivership. The Custodian Officer announced the order of the receivership in newspapers dated 27 August 2010 and the Government Gazette on 28 September 2010, and the last date to submit the request for debt settlement was on 29 November 2010.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.3 Financial statements of a subsidiary - TPI Aromatics Public Company Limited (continued)

In November 2010, the IRPC Group, as a major creditor of the subsidiary, submitted the request for the debt settlement. Whereas at the Creditors' meeting on 25 January 2011, it unanimously passed the resolution to allow the Custodian Officer to further request the Court to file bankruptcy to such subsidiary.

As the subsidiary is under the supervision of the Custodian Officer; therefore, the Company has not included the financial statements of the subsidiary in the consolidated financial statements since the fourth quarter of 2010.

Thus, the outstanding balances of assets and liabilities of the Group transacted with TPI Aromatics Public Company Limited presented in the consolidated and company balance sheets as at 31 December 2010 are as follows :

As at 31 December 2010	Consolidation Baht million	Company Baht million
<b>Assets</b>		
Investment in subsidiary, net of allowance for impairment of Baht 4,100 million	-	-
Loans to and interest receivable, net of allowances - Note 32 (e)	3,293	3,076
<b>Total assets</b>	<u>3,293</u>	<u>3,076</u>
<b>Liabilities</b>		
Loans from and interest payables - Note 32 (h)	2,255	2,255
<b>Total liabilities</b>	<u>2,255</u>	<u>2,255</u>

As the assets and liabilities are with the same company, the balances after offsetting of assets and liabilities is approximately Baht 1,038 million and Baht 821 million in the consolidated and company balance sheets, respectively. The Group has anticipated that the recoverable amount will flow from the assets to be sold of the subsidiary, which is mainly land. The Company has adjusted the allowances for doubtful debts of Baht 660 million in the company financial statements for the year ended 31 December 2010 to reflect the recoverable amount from the disposal of assets of such subsidiary, which has been presented as part of administrative expenses.

Assets and liabilities of the subsidiary which have been included in the consolidated and company financial statements for the nine-month period ended 30 September 2010 and for the year ended 31 December 2009 using the financial information prepared by the Company's management are as follows :

As at 30 September 2010 and 31 December 2009	Consolidation Baht million	Company Baht million
<b>Assets</b>		
Property, plant and equipment	1,050	-
Advances, loans to and interest receivables, net of allowances - Note 32 (e)	-	2,416
<b>Total assets</b>	<u>1,050</u>	<u>2,416</u>

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.3 Financial statements of a subsidiary - TPI Aromatics Public Company Limited (continued)

	Consolidation Baht million	Company Baht million
<b>Liabilities</b>		
Short-term loans to and interest payables - Note 32 (h)	-	2,255
<b>Total liabilities</b>	-	2,255

Most transactions are mainly transacted with the IRPC Group, and are eliminated in the consolidated financial statements. The Company's management has considered that the impact of the above transactions is not material to the consolidated and company financial statements for the nine-month period ended 30 September 2010 and for the year ended 31 December 2009. In addition, income and expenses that the Group has had with the subsidiary are mainly interest income and interest expenses which the Group has stopped recognising since 2008. Thus, there was no impact to the consolidated and company statements of income for the nine-month period ended 30 September 2010 and for the year ended 31 December 2009. During the second quarter of 2010, the subsidiary provided the financial information as at 31 December 2009, which was audited by the other auditor. The financial information as at 31 December 2009 was different from the information previously presented by the Company's management. The differences are from the interest income and interest expenses from long-outstanding loans provided to inter-companies which have not been recognised by the Group.

### 2.4 Group accounting - Investment in subsidiaries and associates

#### (1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiaries acquired, the cost is recognised immediately in the statements of income.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.4 Group accounting - Investment in subsidiaries and associates (continued)

#### (1) Subsidiaries (continued)

Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are eliminated; unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the accounting policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are reported by using the cost method. Under the cost method, income from investments in subsidiaries will be recorded when dividends are declared.

A list of the Group's principal subsidiaries and the effect from the acquisition and disposal of subsidiaries have been disclosed in Note 12.

#### (2) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statement, investments in associates are initially recognised at cost and are accounted for using the equity method. The Group's investment in associates includes goodwill identified on acquisition, net of cumulative amortisation.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates will be changed, where necessary, to comply with those of the Group.

In the Company's separate financial statements, investments in associates are accounted for using the cost method.

A list of Group's principal associated companies and the effect from the acquisition and disposal of associates have been disclosed in Note 12.

### 2.5 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of income.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.5 Foreign currency translation (continued)

Statements of income and cash flows of foreign entities are translated into the Group's reporting currency which is Baht at the weighted average exchange rates for the year. The balance sheet items are translated at the exchange rates ruling on the balance sheet date. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity. On disposal of a foreign entity, accumulated currency translation differences are recognised in the statement of income as part of the gain or loss on sale.

### 2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are part of the Company's cash management. Bank overdrafts are included within current liabilities on the balance sheet.

### 2.7 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the income statement within administrative expenses.

### 2.8 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by as the weighted average method.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts according to the terms of payment ('rebates'). The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads which are allocated following the ordinary course of business.

Net realisable value of crude oil is calculated by using the market price at the balance sheet date. Net realisable value of finished goods and intermediate products are the estimate of the selling price in the ordinary course of business, less the necessary costs of completion and selling expenses.

The Group recognises allowances for obsolete, slow moving and defective inventories (which are spare parts and repair materials, and chemicals and fuel oil). Allowances will be provided by considering the future use of those inventories and at the certain rates (percentage) of total inventory balances at the year end.

### 2.9 Other investments

The Group classifies investments other than investments in subsidiaries and associates into the following three categories which are (1) trading investments, (2) available-for-sale investments and (3) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.9 Other investments (continued)

(1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets; for the purpose of these financial statements, short-term is defined as three months.

(2) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

(3) Investments in non-marketable equity securities are classified as general investments.

Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investments. Cost of investment includes transaction costs. Trading and available-for-sale investments are subsequently carried at fair value.

Trading and available-for-sale investments are traded in active markets and valued at market value at the close of business on the balance sheet date by reference to the Stock Exchange of Thailand.

Realised and unrealised gains and losses arising from changes in the fair value of trading investments are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity.

General investments are carried at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the statement of income (including gain/loss from change in fair value which was previously recorded in equity). When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

### 2.10 Property, plant and equipment

Land and land improvement is stated at cost less allowance for impairment. Plant and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation. Costs include directly attributable expenses in acquiring such asset.

Depreciation is recorded as expense in the income statement and calculated on the straight-line method or units of production to write-off the costs of each asset, except for land and land improvement which is considered to have an indefinite life.

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

**2 Accounting policies (continued)****2.10 Property, plant and equipment (continued)**

	Depreciation rates
Buildings and structures	20 - 40 years
Machinery and pipe	20 - 30 years
Other machinery	Unit of production
Mechanical equipment	8 - 20 years
Tools and factory equipment	10 years
Furniture, fixtures and office equipment	5 - 10 years
Vehicles	5 - 10 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Repair and maintenance expense will be expensed in the period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. The borrowing costs include interest on borrowings.

**2.11 Intangible assets**

Intangible assets are dredging expenses, computer program and computer development expenses which are stated at cost less accumulated amortisation and impairment loss.

Dredging expenses is expenditure paid to prepare the undersea area around the jetty.

Intangible assets of the Group are definite life assets which are amortised on a straight-line basis over the estimated useful lives of the assets. Amortisation is charged to the statement of income. The estimated useful lives are as follows :

	Depreciation rate
Dredging expenses	20 years
Deferred charges: Computer program and computer development expenses	5 - 10 years

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.12 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets and intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

### 2.13 Leases - where a Group company is the lessee

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated and company statements of income over the lease period. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to the consolidated and company statements of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

### Leases - where a Group company is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

### 2.14 Borrowings and debentures

Borrowings and debentures are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings and debentures are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of income over the period of the borrowings.

### 2.15 Income tax

The Group does not recognise income taxes payable or receivable in future periods with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.



## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.16 Employee benefits

#### *Provident fund*

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees at 5-10% of their base salary every month and by the relevant Group companies at 5-10% of base salary every month. The fund is in compliance with the conditions defined by the Ministry of Finance and managed by designated fund manager.

#### *Employee stock options*

No compensation cost or obligation is recognised when share options are issued under employee incentive programmes. When options are exercised, equity is increased by the amount of the proceeds received. According to the TFRS 2 'Share-based Payment' states that the employee stock options which have been approved by the Shareholders' meeting on or after 1 January 2011 shall be accounted for.

#### *Post-employment benefits under Thai Labour Law*

The Group does not provide for post-employment benefits, payable to employees under the Thai Labour Law.

### 2.17 Provisions

Provisions, excluding the provisions for employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

### 2.18 Treasury stock

Treasury stock is carried at cost and shown as a deduction from total shareholders' equity. Gains on disposal of treasury stock are determined by reference to its carrying amount and are taken to "Premium on treasury stock". Losses on disposal of treasury stock are determined by reference to its carrying amount and are taken to "Premium on treasury stock" and "Retained earnings" consecutively.

### 2.19 Revenue recognition

#### *Sale of goods and services rendered*

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service including excise tax, municipal tax and oil fund, net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Service income is recognised as services are provided.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 2 Accounting policies (continued)

### 2.19 Revenue recognition (continued)

#### *Interest and dividend income*

Interest income is recognised on a time proportion basis, taking account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

#### *Other income*

Other income is recognised in the statement of income on an accrual basis.

### 2.20 Dividends

Dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders of the Company and the related companies. Interim dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the Board of directors' of the Company and the subsidiaries.

### 2.21 Segmentation

Segment information is presented in respect of the Group's business segments which is based on the Group's management and internal reporting structure (See more information in the Note 6).

## 3 Financial risk and pricing risk regarding raw materials and products

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rate and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group, if possible. The Group uses derivative financial instruments which are forward foreign exchange contracts and interest rate swap contracts to protect certain exposures. In execution of the afore mentioned derivative transactions, it should be in line with the policies determined by the Board of Directors. Management is approved to execute the transactions according to the table of authority of the Group and has to report the results to the Board of Directors.

#### 3.1.1 Foreign exchange rate risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to US Dollars as well as US Dollar bonds which the Group has entered into foreign currency forward contracts to mitigate risk from exchange rate fluctuation.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 3 Financial risk and pricing risk regarding raw materials and products (continued)

### 3.1 Financial risk factors (continued)

#### 3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has interest rate risk arising from borrowings and debentures with floating and fixed interest rates. The Group uses interest rate swap contracts by agreeing with the counterparties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

#### 3.1.3 Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

#### 3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the ability to manage market positions. Due to the dynamic nature of the underlying business, the Group's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

### 3.2 Pricing risk factors regarding raw materials and products

The Group has managed the pricing risks of raw materials and products by setting up the Risk Management Committee focusing on product risks so as to manage risk exposures following policies approved by the Board of Directors. The Risk Management Committee for products identifies, evaluates and hedges product risks by working closely with the Group's operating units under the approved framework. The Group uses crack spread swap contracts and time spread swap contracts to minimise its exposure to the fluctuation in oil prices and products. In execution of the aforementioned derivative transactions, it should be in line with the policies determined by the Board of Directors. The Risk Management Committee for products is approved to execute the transactions according to the specified policies.

#### 3.2.1 Crude oil price fluctuation risk

The Group is exposed to oil price risk from substantial fluctuations in oil prices which arise from the movement of oil prices on the world market. The Group uses crack spread swap contracts and time spread swap contracts to minimise its exposure to the fluctuation of oil prices in its business operations.

### 3.3 Accounting for derivative financial instruments

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts, interest rate swap agreements, crack spread swap contracts and time spread swap contracts. Such instruments are recognised in the financial statements on inception. The Group recognises each derivative financial instrument at its fair value (as explained in the Note 3.4). Gains or losses from change in fair value are recognised immediately in the statement of income.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 3 Financial risk and pricing risk regarding raw materials and products (continued)

### 3.3 Accounting for derivative financial instruments (continued)

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments which relate to borrowings are offset for financial reporting purposes and are recognised as finance costs in the statement of income, whereas the gains and losses on the derivative instruments which relate to trading business are offset for financial reporting purposes and are recognised as other income/(other expenses) in the statement of income.

Interest rate swap agreements protect the Group from movements in interest rates. Any difference to be paid or received on an interest rate swap agreements is recognised as a component of interest revenue or expense over the period of the agreements. Gains and losses on early termination of interest rate swap contracts or on repayment of the borrowings are presented as part of finance costs in the statement of income.

Crack spread swap contracts and time spread swap contracts protect the Group from movements in crude oil price by establishing the agreed price. The difference between the price at contract settlement date and agreed price will be recognised as realised gains and losses in the statement of income under other income or other expenses at settlement date.

### 3.4 Fair value estimation of derivatives

The fair value of publicly traded derivatives is based on quoted market prices at the balance sheet date. The fair value of forward foreign exchange contracts and the interest rate swap contracts is determined by the market rate of each agreement which is calculated by financial institutions dealing with the Group at the balance sheet date. The fair values of crack spread swap contracts and time spread swap contracts are calculated by the offering selling and buying price at the balance sheet date quoted by the financial institutions of the Group at the balance sheet date.

## 4 Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The result of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

### 4.1 Impairment of short-term loan to related parties, amount due from related parties and investment in subsidiaries and associates

The Group estimates the possibility of the recoverability of loans to and receivables from related parties by considering the ability of settlement. For the investments in subsidiaries and associates, the Group tests whether the investments have suffered any impairment. The recoverable amounts have been determined based on the expected future cash inflow.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 4 Critical accounting estimates and judgements (continued)

##### 4.2 Impairment of balances with former management and entities relating to the former management

The Group has estimated and set up allowance for doubtful debt of the outstanding amounts with the former management and entities relating to the former management. Most of them have been fully provided the allowance for doubtful debt. The Company's management has determined the recoverable amounts by considering the offsetting assets and liabilities, timing, and the possibility to receive those outstanding amounts.

##### 4.3 Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment and intangible assets of the Group which are principally based on technical information. Management will also review the write-down of technically obsolete or un-used assets by disposal or abandonment.

#### 5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

#### 6 Segment information

Segment information is presented in respect of the Group's business segments which are based on the Group's management and internal reporting structure.

The Group's main business segments are :

Petrochemical products	Olefins, aromatics that are raw materials used in the production of plastic resins
Petroleum products	Refinery oil, lubricant oil, asphalt
Other business segments	Power plant, jetty and other utilities

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 6 Segment information (continued)

	Consolidated				
	Petrochemical products Baht million	Petroleum products Baht million	Other business segment Baht million	Elimination entries Baht million	Total Baht million
<b>For the year ended 31 December 2010</b>					
Sales	77,356	173,593	4,139	(33,477)	221,611
Operating profit/(loss)	3,854	1,245	(446)	464	5,117
Unallocated other income					1,735
Unallocated other expenses					(35)
Finance costs					(533)
Share of profit of investments in an associate					29
Income tax					(130)
Net profit for the year					6,183
Segment fixed assets	19,848	23,761	15,609	(1,043)	58,175
Unallocated fixed assets					7,991
Segment other assets	10,565	31,803	2,899	(3,152)	42,115
Unallocated other assets					12,177
Consolidated total assets					120,458

	Consolidated				
	Petrochemical products Baht million	Petroleum products Baht million	Other business segment Baht million	Elimination entries Baht million	Total Baht million
<b>For the year ended 31 December 2009</b>					
Sales	63,193	127,102	3,383	(27,641)	166,037
Operating profit/(loss)	5,082	750	(151)	360	6,041
Unallocated other income					408
Unallocated other expenses					(9)
Finance costs					(991)
Share of profit of investments in an associate					17
Income tax					(51)
Net profit for the year					5,415
Segment fixed assets	19,871	23,935	13,395	(974)	56,227
Unallocated fixed assets					8,053
Segment other assets	8,440	32,145	6,565	(6,705)	40,445
Unallocated other assets					9,469
Consolidated total assets					114,194

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 7 Cash and cash equivalents

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Cash on hand	2	1	-	1
Current Accounts	3,319	3,731	2,654	3,699
Saving accounts	1,149	1,411	653	697
Short term investments	300	20	-	-
<b>Total</b>	<b>4,770</b>	<b>5,163</b>	<b>3,307</b>	<b>4,397</b>

As at 31 December 2010, saving accounts, current accounts and short-term investments bear interest at the average rate at 0.10% - 1.60% per annum and 1.90% per annum, respectively (2009: 0.125% - 1.15% per annum and 1.15% per annum, respectively). Cash and cash equivalents are mainly Baht.

## 8 Short-term investments - net

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Equity securities held for trading	1,534	1,534	1,534	1,534
<u>Less</u> Allowance for revaluation of investments	(125)	(764)	(125)	(764)
<b>Net</b>	<b>1,409</b>	<b>770</b>	<b>1,409</b>	<b>770</b>

Movements of equity securities held for trading during the years ended 31 December 2010 and 2009 are as follows :

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Opening net book value	770	435	770	435
Acquisitions	-	-	-	-
Disposals	-	(26)	-	(26)
Changes in fair value of investments (Note 24)	639	361	639	361
Closing net book value	<b>1,409</b>	<b>770</b>	<b>1,409</b>	<b>770</b>

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 9 Trade accounts receivable - net

	Note	Consolidated		Company	
		2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Trade accounts receivable</b>					
- Other parties		10,255	6,782	9,882	6,487
- Related parties	32	1,074	1,488	2,791	3,064
<b>Total</b>		<b>11,329</b>	<b>8,270</b>	<b>12,673</b>	<b>9,551</b>
<u>Less</u> Allowance for doubtful debts		(273)	(242)	(174)	(143)
<b>Net</b>		<b>11,056</b>	<b>8,028</b>	<b>12,499</b>	<b>9,408</b>

Aging analysis of trade accounts receivable as at 31 December 2010 and 2009 is as follows :

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Other parties</b>				
Current	9,950	6,393	9,690	6,214
Overdue				
- less than 3 months	32	152	23	139
- 3 - 12 months	20	13	20	13
- over 12 months	253	224	149	121
	305	389	192	273
	10,255	6,782	9,882	6,487
<u>Less</u> Allowance for doubtful debts	(273)	(242)	(169)	(138)
<b>Net</b>	<b>9,982</b>	<b>6,540</b>	<b>9,713</b>	<b>6,349</b>
<b>Related parties</b>				
Current	1,074	1,488	2,787	3,059
Overdue				
- less than 3 months	-	-	(1)	-
- 3 - 12 months	-	-	-	-
- over 12 months	-	-	5	5
	-	-	4	5
	1,074	1,488	2,791	3,064
<u>Less</u> Allowance for doubtful debts	-	-	(5)	(5)
<b>Net</b>	<b>1,074</b>	<b>1,488</b>	<b>2,786</b>	<b>3,059</b>
<b>Net</b>	<b>11,056</b>	<b>8,028</b>	<b>12,499</b>	<b>9,408</b>



## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 10 Inventories - net

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Finished goods	16,929	15,082	16,552	14,788
Work in process	163	114	1	-
Raw materials	5,243	4,755	4,914	4,453
Chemicals and fuel oil	649	626	568	525
Spare parts and repair materials	2,061	2,452	1,823	2,217
Goods in transit	5,216	7,824	5,151	7,795
	30,261	30,853	29,009	29,778
<u>Less</u> Allowance for net realisable value and slow-moving and obsolescence	(160)	(218)	(135)	(196)
<b>Net</b>	<b>30,101</b>	<b>30,635</b>	<b>28,874</b>	<b>29,582</b>

According to the Ministry of Energy's regulations, the Company is required to reserve crude oil, liquid petroleum gas, and petroleum products at 5% of the total production output in each period. As at 31 December 2010, the inventories included a minimum mandatory reserve on crude oil, liquid petroleum gas, and petroleum product amounting to Baht 7,836 million and Baht 7,794 million in the consolidated and company financial statements, respectively (2009: Baht 5,672 million, and Baht 5,635 million in the consolidated and company financial statements, respectively). These amounts were net of allowance for net realisable value.

## 11 Other receivables

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Receivables from Excise Department and Oil Fund	116	218	116	218
Others	56	81	50	32
<b>Total</b>	<b>172</b>	<b>299</b>	<b>166</b>	<b>250</b>

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

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## 12 Investments in subsidiaries and associates - net

Details of investments in subsidiaries and associates as at 31 December 2010 and 2009 are as follows :

All subsidiaries and associates are incorporated and domiciled in Thailand except for the following subsidiaries :

### Subsidiaries

- Thai Petrochemical Industry (Cayman Islands) Ltd.      Incorporated in the British Virgin Islands and has ceased operation
- TPI Philippines Vinyl Corp.      Incorporated in the Philippines and has ceased operation
- Asian Dragon Oil Refinery Corp.      Incorporated in the Philippines and has ceased operation

### Associate

- Kapuluan Holding Corp.      Incorporated in the Philippines and has ceased operation

Movement of subsidiaries for the year ended 31 December 2010.

### Direct subsidiary

- Thai Polyurethane Industry Company Limited      reduced the par value of the issued share capital of 1,500,000 shares from Baht 25 per share to Baht 6.25 per share, totalling Baht 28.12 million.
- International Plastic Trading Company Limited      In the process of dissolution
- TPI Aromatics Public Company Limited      Under supervision of Custodian Officer (see detail in the Note 2.3)

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**IRPC Public Company Limited**  
For the years ended 31 December 2010 and 2009

## 12 Investments in subsidiaries and associates - net (continued)

a) Details of investments in subsidiaries and associates as at 31 December 2010 and 2009 are as follows :

	Consolidated												
	Paid-up capital		Cost method		Equity method		Impairment		Net		Dividends Income		
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million	
Subsidiary under bankruptcy process (Note 2.3)													
TPI Aromatics Public Company Limited	4,100	-	4,100	-	-	-	(4,100)	-	-	-	-	-	-
<u>Associates</u>													
<u>Active associates</u>													
PTT Polymer Marketing Co., Ltd.	40	40	58	73	44	-	-	-	73	44	-	-	-
<u>Non-active associates</u>													
Kapuluan Holding Corp.	Peso 1	-	-	-	-	-	-	-	-	-	-	-	-
Phil Thai Holding Corp. (Below Baht 1 million)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4,158</b>	<b>58</b>	<b>44</b>	<b>73</b>	<b>44</b>	<b>(4,100)</b>	<b>-</b>	<b>73</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

b) The Group's share of assets, liabilities, income, and share of profit/(loss) of its associates according to the percentage of shareholding are as follows :

Associates	Business	Incorporated countries	Assets (Baht million)	Liabilities (Baht million)	Revenue (Baht million)	Share of profit/ (loss) (Baht million)	% Interest held
<b>As at 31 December 2010</b>							
PTT Polymer Marketing Co., Ltd.	Sales of plastic resin	Thailand	1,241	1,166	9,825	29	25
Kapuluan Holding Corp.	Investing in other business	Philippines	-	-	-	-	39.99
Phil Thai Holding Corp.	Investing in other business	Thailand	-	-	-	-	39.99
<b>As at 31 December 2009</b>							
PTT Polymer Marketing Co., Ltd.	Sales of plastic resin	Thailand	732	686	6,472	17	25
Kapuluan Holding Corp.	Investing in other business	Philippines	-	-	-	-	39.99
Phil Thai Holding Corp.	Investing in other business	Thailand	-	-	-	-	39.99

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 12 Investments in subsidiaries and associates - net (continued)

c) Details of investments in subsidiaries and associates as at 31 December 2010 and 2009 are as follows :

	Company											
	Ownership Interest		Paid-up capital		Cost method		Impairment		Net		Dividend Income	
	2010 (%)	2009 (%)	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Subsidiaries</b>												
<b>Active subsidiaries</b>												
Thai ABS Co., Ltd. and a subsidiary	99.99	99.99	2,500	2,500	2,500	2,500	-	-	2,500	2,500	500	-
- IRPC A&L Co., Ltd.	59.94	59.94										
IRPC Oil Co., Ltd. and subsidiaries	99.99	99.99	2,000	2,000	2,000	2,000	(718)	(718)	1,282	1,282	-	-
- TPI Oil (2001) Co., Ltd.	99.99	99.99										
IRPC Polylol Co., Ltd.	99.99	99.99	300	300	300	300	-	-	300	300	30	-
IRPC Technology Co., Ltd	99.99	99.99	750	750	750	750	(476)	(476)	274	274	-	-
<b>Non-active subsidiaries</b>												
Thai Polyurethane Industry Co., Ltd.	99.99	99.99	9	37	9	37	-	-	9	37	-	-
IRPC Energy Co., Ltd.	99.99	99.99	3,342	3,342	3,342	3,342	(3,257)	(3,257)	85	85	-	-
IRPC Service Co., Ltd. (Below Baht 1 million)	99.50	99.50	-	-	-	-	-	-	-	-	-	-
TPI Internet Portal Co., Ltd.	99.89	99.89	-	-	-	-	-	-	-	-	-	-
International Plastic Trading Co., Ltd.	99.01	99.01	4	4	4	4	(3)	(3)	1	1	-	-
Rayong Tank Terminal Co., Ltd.	99.99	99.99	-	-	1,000	1,000	(1,000)	(1,000)	-	-	-	-
TPI Aromatics PCL	99.99	99.99	4,100	4,100	4,100	4,100	(4,100)	(4,100)	-	-	-	-
Thai Petrochemical Industry (Cayman Island) Ltd.	100.00	100.00	352	352	352	352	(352)	(352)	-	-	-	-
TPI Philippines Vinyl Corp.	99.99	99.99	Peso 17	Peso 17	17	17	(17)	(17)	-	-	-	-
Asian Dragon Oil Refinery Corp. (Below Baht 1 million)	99.99	99.99	-	-	-	-	-	-	-	-	-	-
<b>Total</b>			14,374	14,402	14,402	14,402	(9,923)	(9,923)	4,451	4,479	530	-
<b>Associates</b>												
<b>Active associates</b>												
PTI Polymer Marketing Co., Ltd.	25.00	25.00	40	40	58	58	-	-	58	58	-	-
<b>Non-active associates</b>												
Kapulan Holding Corp.	39.99	39.99	Peso 1	Peso 1	-	-	-	-	-	-	-	-
Phil Thai Holding Corp. (Below Baht 1 million)	39.99	39.99	-	-	-	-	-	-	-	-	-	-
<b>Total subsidiaries and associates</b>			58	58	58	58	-	-	58	58	-	-
			14,432	14,460	14,460	14,460	(9,923)	(9,923)	4,509	4,537	530	-

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

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## 12 Investments in subsidiaries and associates - net (continued)

Movement of investments in subsidiaries and associates for the years ended 31 December 2010 and 2009 are as follows :

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Opening net book amount	44	28	4,537	4,537
Share of profit of an associate - equity method	29	16	-	-
Capital reduction in a subsidiary	-	-	(28)	-
Closing net book amount	73	44	4,509	4,537

## 13 Other long-term investments - net

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Marketable equity securities - available-for sales	539	539	534	534
<u>Less</u> Allowances for revaluation of investments	(510)	(523)	(506)	(519)
	29	16	28	15
General equity securities - cost method	1,252	1,252	1,053	1,053
<u>Less</u> Allowances for impairment	(1,233)	(1,233)	(1,034)	(1,034)
	19	19	19	19
<b>Net</b>	48	35	47	34

The Company is reviewing the investment policy for the above investments whether to dispose or other possible ways to maximise the benefits to the Company.

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 13 Other long-term investments - net (continued)

Movement of other long-term investments for the year ended 31 December 2010 are as follows :

	Consolidated		
	General equity securities - cost method Baht million	Available-for-sale securities Baht million	Total Baht million
Opening net book amount	19	16	35
Additions	-	-	-
Disposals	-	-	-
Changes in fair value	-	13	13
Closing net book amount	19	29	48

	Company		
	General equity securities - cost method Baht million	Available-for-sale securities Baht million	Total Baht million
Opening net book amount	19	15	34
Additions	-	-	-
Disposals	-	-	-
Changes in fair value	-	13	13
Closing net book amount	19	28	47

14 Property, plant and equipment, net

	Consolidated										Total Baht million	
	Land Baht million	Land improvement Baht million	Buildings and building improvements Baht million	Machinery and pipes Baht million	Tools and factory equipment Baht million	Furniture, fixtures and office equipment Baht million	Vehicles Baht million	Assets under construction Baht million				
As at 31 December 2008												
Cost	7,632	184	22,717	62,953	2,027	670	904	5,167			102,254	
Less: Accumulated depreciation	-	-	(8,012)	(26,340)	(1,439)	(399)	(641)	-			(36,831)	
Allowance for impairment	(931)	(2)	(213)	(1)	-	-	-	-			(1,147)	
Net book amount	6,701	182	14,492	36,612	588	271	263	5,167			64,276	
For the year ended 31 December 2009												
Opening net book amount	6,701	182	14,492	36,612	588	271	263	5,167			64,276	
Additions	5	-	1	419	90	30	29	2,911			3,485	
Disposals - net book value	(14)	-	(22)	(3)	(4)	(3)	(20)	-			(66)	
Reclassification, net	-	-	206	1,258	22	18	-	(1,504)			-	
Depreciation charge	-	-	(758)	(2,196)	(97)	(70)	(39)	-			(3,160)	
(Impairment charge)/reversal of impairment	(253)	-	10	(12)	-	-	-	-			(255)	
Closing net book amount	6,439	182	13,929	36,078	599	246	233	6,574			64,280	
As at 31 December 2009												
Cost	7,623	184	22,892	64,623	2,061	713	838	6,574			105,508	
Less: Accumulated depreciation	-	-	(8,760)	(28,532)	(1,462)	(467)	(605)	-			(39,826)	
Allowance for impairment	(1,184)	(2)	(203)	(13)	-	-	-	-			(1,402)	
Net book amount	6,439	182	13,929	36,078	599	246	233	6,574			64,280	

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 IRPC Public Company Limited  
 For the years ended 31 December 2010 and 2009

14 Property, plant and equipment, net (continued)

	Consolidated								Total Baht million
	Land Baht million	Land improvement Baht million	Buildings and building improvements Baht million	Machinery and pipes and pipes Baht million	Tools and factory equipment Baht million	Furniture, fixtures and office equipment Baht million	Vehicles Baht million	Assets under construction Baht million	
As at 31 December 2009									
Cost	7,623	184	22,892	64,623	2,061	713	838	6,574	105,508
<u>Less</u> Accumulated depreciation	-	-	(8,760)	(28,532)	(1,462)	(467)	(605)	-	(39,826)
Allowance for impairment	(1,184)	(2)	(203)	(13)	-	-	-	-	(1,402)
Net book amount	6,439	182	13,929	36,078	599	246	233	6,574	64,280
For the year ended 31 December 2010									
Opening net book amount	6,439	182	13,929	36,078	599	246	233	6,574	64,280
Additions	169	-	6	80	84	29	41	5,767	6,176
Disposals - net book value	(21)	-	(6)	(29)	(5)	(3)	(14)	-	(78)
Reclassification, net	-	-	225	272	47	99	-	(643)	-
A subsidiary under bankruptcy process (Note 2.3)	(1,050)	-	-	-	-	-	-	-	(1,050)
Depreciation charge	-	-	(753)	(2,230)	(100)	(81)	(40)	-	(3,204)
Reversal of impairment	38	-	4	-	-	-	-	-	42
Closing net book amount	5,575	182	13,405	34,171	625	290	220	11,698	66,166
As at 31 December 2010									
Cost	6,721	184	23,039	64,922	2,169	824	850	11,698	110,407
<u>Less</u> Accumulated depreciation	-	-	(9,435)	(30,738)	(1,544)	(634)	(630)	-	(42,881)
Allowance for impairment	(1,146)	(2)	(199)	(13)	-	-	-	-	(1,360)
Net book amount	5,575	182	13,405	34,171	625	290	220	11,698	66,166



14 Property, plant and equipment, net (continued)

	Company										Total Baht million	
	Land Baht million	Land improvement Baht million	Buildings and building improvements Baht million	Machinery and pipes Baht million	Tools and factory equipment Baht million	Furniture, fixtures and office equipment Baht million	Vehicles Baht million	Assets under construction Baht million				
As at 31 December 2008												
Cost	4,302	168	19,933	56,829	1,540	603	688	4,608			88,671	
Less Accumulated depreciation	-	-	(5,996)	(23,378)	(996)	(355)	(478)	-			(31,203)	
Net book amount	4,302	168	13,937	33,451	544	248	210	4,608			57,468	
For the year ended 31 December 2009												
Opening net book amount	4,302	168	13,937	33,451	544	248	210	4,608			57,468	
Additions	5	-	-	418	83	26	29	2,513			3,074	
Disposals - net book value	(14)	-	-	-	-	(3)	(19)	-			(36)	
Reclassification, net	-	-	130	604	7	11	-	(752)			-	
Depreciation charge	-	-	(740)	(1,986)	(89)	(65)	(32)	-			(2,912)	
Impairment charge	(584)	-	-	-	-	-	-	-			(584)	
Closing net book amount	3,709	168	13,327	32,487	545	217	188	6,369			57,010	
As at 31 December 2009												
Cost	4,293	168	20,066	57,851	1,590	638	636	6,369			91,611	
Less Accumulated depreciation	-	-	(6,739)	(25,364)	(1,045)	(421)	(448)	-			(34,017)	
Allowance for impairment	(584)	-	-	-	-	-	-	-			(584)	
Net book amount	3,709	168	13,327	32,487	545	217	188	6,369			57,010	

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IRPC Public Company Limited

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14 Property, plant and equipment, net (continued)

	Company										Total Baht million		
	Land Baht million	Land improvement Baht million	Buildings and building improvements Baht million	Machinery and pipes Baht million	Tools and factory equipment Baht million	Furniture, fixtures and office equipment Baht million	Vehicles Baht million	Assets under construction Baht million					
<b>As at 31 December 2009</b>													
Cost	4,293	168	20,066	57,851	1,590	638	636	6,369				91,611	
<u>Less</u> Accumulated depreciation	-	-	(6,739)	(25,364)	(1,045)	(421)	(448)	-				(34,017)	
Allowance for Impairment	(584)	-	-	-	-	-	-	-				(584)	
Net book amount	3,709	168	13,327	32,487	545	217	188	6,369				57,010	
<b>For the year ended 31 December 2010</b>													
Opening net book amount	3,709	168	13,327	32,487	545	217	188	6,369				57,010	
Additions	169	-	-	80	81	22	41	5,523				5,916	
Disposals - net book value	(21)	-	(5)	(13)	(4)	(3)	(12)	-				(58)	
Reclassification, net	-	-	212	258	27	96	-	(593)				-	
Depreciation charge	-	-	(730)	(1,988)	(91)	(74)	(33)	-				(2,916)	
Reversal of impairment	38	-	-	-	-	-	-	-				38	
Closing net book amount	3,895	168	12,804	30,824	558	258	184	11,299				59,990	
<b>As at 31 December 2010</b>													
Cost	4,441	168	20,197	58,158	1,678	742	652	11,299				97,335	
<u>Less</u> Accumulated depreciation	-	-	(7,393)	(27,334)	(1,120)	(484)	(468)	-				(36,799)	
Allowance for Impairment	(546)	-	-	-	-	-	-	-				(546)	
Net book amount	3,895	168	12,804	30,824	558	258	184	11,299				59,990	

As at 31 December 2010, the Group had assets under finance leases, net of accumulated depreciation of Baht 82 million in the consolidated and company financial statements (2009 : Baht 107 million in the consolidated and company financial statements).

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

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## 14 Property, plant and equipment, net (continued)

Borrowing costs of Baht 127.05 million (2009: Baht 22.49 million) in the consolidated and company financial statements, arising from financing specifically entered into for the construction of new factories, were capitalised during the year and are included in 'Additions'. A capitalisation rate of 2.46% was used representing the borrowing costs of the loans used to finance the project.

As at 31 December 2010, the gross carrying amounts of fully depreciated fixed assets that is still be in use are amounting to Baht 3,997 million and Baht 3,589 million in the consolidated and company financial statements, respectively (2009: Baht 1,930 million and Baht 1,352 million in the consolidated and company financial statements, respectively).

Depreciation charge for the years ended 31 December 2010 and 2009 is as follows :

	Note	Consolidated		Company	
		2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Costs of sales		3,070	2,992	2,833	2,789
Administrative expenses	25	134	168	83	123
<b>Total</b>		<b>3,204</b>	<b>3,160</b>	<b>2,916</b>	<b>2,912</b>

As at 31 December 2010 and 2009, the Group has land held for future projects, for which the purpose of use has not yet been determined in the consolidated and company financial statements as follows :

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Land held for future projects	3,055	4,125	1,828	1,848
<u>Less</u> Allowance for impairment	(912)	(912)	(584)	(584)
<u>Add</u> Reversal of impairment	38	-	38	-
<b>Total</b>	<b>2,181</b>	<b>3,213</b>	<b>1,282</b>	<b>1,264</b>

The Group has assessed the recoverable amounts of those assets by considering the market prices for assets.

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## 15 Intangible assets, net

Intangible assets presented in the consolidated and company financial statements are as follows :

	Consolidated		
	Dredging expenses Baht million	Computer software and computer development Baht million	Total Baht million
<b>As at 31 December 2008</b>			
Cost	2,512	459	2,971
Less Accumulated amortisation	(1,218)	(31)	(1,249)
Net book amount	1,294	428	1,722
<b>For the year ended 31 December 2009</b>			
Opening net book amount	1,294	428	1,722
Additions	-	19	19
Amortisation	(126)	(50)	(176)
Closing net book amount	1,168	397	1,565
<b>As at 31 December 2009</b>			
Cost	2,512	478	2,990
Less Accumulated amortisation	(1,344)	(81)	(1,425)
Net book amount	1,168	397	1,565
<b>For the year ended 31 December 2010</b>			
Opening net book amount	1,168	397	1,565
Additions	-	76	76
Amortisation	(125)	(53)	(178)
Closing net book amount	1,043	420	1,463
<b>As at 31 December 2010</b>			
Cost	2,512	553	3,065
Less Accumulated amortisation	(1,469)	(133)	(1,602)
Net book amount	1,043	420	1,463

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 15 Intangible assets, net (continued)

Intangible assets presented in the consolidated and company financial statements are as follows : (continued)

	Company		
	Dredging expenses Baht million	Computer software and computer development Baht million	Total Baht million
<b>As at 31 December 2008</b>			
Cost	2,512	459	2,971
<u>Less</u> Accumulated amortisation	(1,218)	(31)	(1,249)
Net book amount	1,294	428	1,722
<b>For the year ended 31 December 2009</b>			
Opening net book amount	1,294	428	1,722
Additions	-	19	19
Amortisation	(126)	(50)	(176)
Closing net book amount	1,168	397	1,565
<b>As at 31 December 2009</b>			
Cost	2,512	478	2,990
<u>Less</u> Accumulated amortisation	(1,344)	(81)	(1,425)
Net book amount	1,168	397	1,565
<b>For the year ended 31 December 2010</b>			
Opening net book amount	1,168	397	1,565
Additions	-	71	71
Amortisation	(125)	(53)	(178)
Closing net book amount	1,043	415	1,458
<b>As at 31 December 2010</b>			
Cost	2,512	549	3,061
<u>Less</u> Accumulated amortisation	(1,469)	(134)	(1,603)
Net book amount	1,043	415	1,458

Total amortisation of Baht 178 million has been included in the costs of sales and administrative expenses at Baht 129 million and Baht 49 million, respectively in the consolidated and company statements of income for the year ended 31 December 2010 (2009: Baht 128 million and Baht 48 million has been included in the costs of sales and administrative expenses, respectively).

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 16 Other non-current assets, net

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Deposits for land	253	253	253	253
Transfer to property, plant and equipment	(48)	-	(48)	-
<u>Less</u> Allowance for impairment	(253)	(253)	(253)	(253)
<u>Add</u> Reversal of impairment	48	-	48	-
	-	-	-	-
Others	36	44	35	43
<b>Net</b>	<b>36</b>	<b>44</b>	<b>35</b>	<b>43</b>

## 17 Borrowings

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Current</b>				
Unsecured short-term loans from				
- Financial institutions	6,000	5,500	6,000	5,500
<b>Non-current</b>				
Unsecured debentures				
- US Dollar	7,211	7,977	7,211	7,977
<u>Less</u> Discount on debentures	(32)	(38)	(32)	(38)
Net	7,179	7,939	7,179	7,939
- Thai Baht	9,640	9,640	9,640	9,640
Total debentures	16,819	17,579	16,819	17,579
Long-term loans from financial institutions	7,529	4,792	7,529	4,792
Total non-current borrowings	24,348	22,371	24,348	22,371
<b>Total</b>	<b>30,348</b>	<b>27,871</b>	<b>30,348</b>	<b>27,871</b>

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 17 Borrowings (continued)

### Short-term loans

As at 31 December 2010, unsecured short-term loans from financial institutions amounting to Baht 6,000 million are promissory notes at interest rates between 1.70% - 1.78% per annum with the maturities of 1 - 3 months (2009: Baht 5,500 million at interest rates between 1.50% - 1.55% per annum).

### Long-term loans

On 7 January 2009, the Company entered into a long-term loan contract for Baht 10,000 million with five local financial institutions for capital expenditure projects. Accounts are withdrawn according to the progress of the projects. The unsecured long-term loans are for a period of eight years with an interest rate not exceeding the maximum of a six-month fixed deposit market rate plus a certain margin for the facility of Baht 5,400 million (Facility A) and at the rate of THBFX six-month plus a certain margin for the facility of Baht 4,600 million (Facility B). The interest will be paid every month whereas the principal repayment is separated into 10 semi-annually instalments, starting from 30 June 2012 (the last business day of the 42<sup>nd</sup> month from the signing of the loan agreement date). As at 31 December 2010, the loans of Baht 7,529 million has already been drawn down (2009 : Baht 4,792 million).

### Debentures

Debentures as at 31 December 2010 and 2009 are categorised according to the currency as follows :

- (1) The Company has issued USD unsecured and non-subordinated debentures with total face value of US Dollars 250 million at the discount price of 99.323% of face value, for the net amount of US Dollars 248.31 million. The debentures bear interest at the fixed rate of 6.375% per annum, payable semi-annually commencing 25 November 2007. The debentures will mature on 25 May 2017.
- (2) The Company has issued Thai Baht unsecured and non-subordinated debentures with total face value of Baht 10,000 million. The Company offered these debentures to financial institution investors in two tranches, Baht 7,000 million and Baht 3,000 million as per the following details presented on the next page.

	Baht 7,000 million	Baht 3,000 million
Maturity	7 years	10 years
Fixed interest rate (% per annum)	5.05	5.29
Payment of interest	Semi-annually	Semi-annually
Redemption date	2 July 2014	2 July 2017

Under the terms of the debentures, the Company has to comply with certain conditions as stipulated therein such as, not creating any future lien, or other security interest of the Company and its principal subsidiaries, consolidation, amalgamation, merger and sale of assets without the debenture holders' consent; maintaining direct and indirect ownership interest of PTT Public Company Limited.

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 17 Borrowings (continued)

The interest rates on the borrowings and debentures of the Group and the Company are as follows :

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Borrowings and debentures				
- at fixed rates	22,819	23,079	22,819	23,079
- at floating rates	7,529	4,792	7,529	4,792
<b>Total</b>	<b>30,348</b>	<b>27,871</b>	<b>30,348</b>	<b>27,871</b>

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Weighted effective interest rate (%)				
- Short-term loans from financial institutions (promissory notes)	1.70 - 1.78	1.50 - 1.55	1.70 - 1.78	1.50 - 1.55
- Debentures	5.05 - 6.375	5.05 - 6.375	5.05 - 6.375	5.05 - 6.375
- Long-term loans from financial institutions	2.20 - 3.68	2.48 - 3.22	2.20 - 3.68	2.48 - 3.22

Maturity of long-term loans from financial institutions and debentures is as follows :

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Within 1 year	-	-	-	-
Over 1 year to 5 years	13,023	9,875	13,023	9,875
Over 5 years	11,325	12,496	11,325	12,496
<b>Total</b>	<b>24,348</b>	<b>22,371</b>	<b>24,348</b>	<b>22,371</b>



## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 17 Borrowings (continued)

The movement of long-term loans from financial institutions and debentures for the year ended 31 December 2010 can be analysed as follows :

	Consolidated Baht million	Company Baht million
Opening net book amount	22,371	22,371
Increase of long-term loans	2,737	2,737
Repurchase of debentures	-	-
Recognition of discount on debentures	6	6
Unrealised gains on exchange rate (Note 27)	(766)	(766)
Closing net book amount	24,348	24,348

*Fair value*

The carrying amounts and fair values of debentures in the consolidated and company financial statements are as follows :

	Carrying amount		Fair value	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
US Dollars	7,179	7,939	7,659	7,848
Thai Baht	9,640	9,640	9,989	9,550
<b>Total</b>	<b>16,819</b>	<b>17,579</b>	<b>17,648</b>	<b>17,398</b>

The fair value of debentures of Thai Baht is calculated by the latest reference yield rate from the Thai Bond Dealers Club and discounted the cash flows. US Dollar debentures are calculated by the latest closing bid price from the International Bond Market.

The carrying amounts of short-term borrowings with fixed interest rate approximate their fair values because of their short-term maturities. The long-term loans from financial institutions have floating interest rates; thus, the fair value approximates the carrying amounts.

*Credit facilities*

The Group has undrawn committed borrowing facilities from the commercial banks totalling Baht 24,000 million for working capital with the money market interest rate. As at 31 December 2010, the Group has outstanding credit facilities of Baht 18,000 million.

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 18 Finance lease liabilities

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Finance lease liabilities				
- Current portion	25	26	25	25
- Non-current portion	59	85	58	85
<b>Total</b>	<b>84</b>	<b>111</b>	<b>83</b>	<b>110</b>

Collateral for finance lease liabilities is that whereby the Group has to return the right under the leases to the lessors in case the Group defaults.

Minimum lease payments of finance lease liabilities :

	Consolidated					
	2010			2009		
	Principal Baht million	Interest Baht million	Payment Baht million	Principal Baht million	Interest Baht million	Payment Baht million
Not later than 1 year	25	4	29	26	6	32
Later than 1 year but not later than 5 years	59	2	61	85	6	91
<b>Total</b>	<b>84</b>	<b>6</b>	<b>90</b>	<b>111</b>	<b>12</b>	<b>123</b>

	Company					
	2010			2009		
	Principal Baht million	Interest Baht million	Payment Baht million	Principal Baht million	Interest Baht million	Payment Baht million
Not later than 1 year	25	4	29	25	6	31
Later than 1 year but not later than 5 years	58	2	60	85	6	91
<b>Total</b>	<b>83</b>	<b>6</b>	<b>89</b>	<b>110</b>	<b>12</b>	<b>122</b>

Fair values of finance lease liabilities approximate their carrying values.

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 19 Trade accounts payable

	Note	Consolidated		Company	
		2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
- Related parties	32	6,025	5,903	7,292	7,540
- Other parties		949	3,108	628	2,969
<b>Total</b>		<b>6,974</b>	<b>9,011</b>	<b>7,920</b>	<b>10,509</b>

## 20 Share capital and premium on share capital

	Number of share Million shares	Ordinary shares Baht million	Premium on share capital Baht million	Total Baht million
Balance as at 31 December 2008	19,706	19,706	27,184	46,890
Issued shares	123	123	232	355
Balance as at 31 December 2009	19,829	19,829	27,416	47,245
Issued shares	341	341	641	982
Balance as at 31 December 2010	<b>20,170</b>	<b>20,170</b>	<b>28,057</b>	<b>48,227</b>

As at 31 December 2010, the total authorised number of shares was 20,475 million shares with a par value of Baht 1 per share (2009: 20,475 million shares with a par value of Baht 1 per share). The shares of 20,170 million shares were issued and fully paid-up.

On 5 June 2007 and 21 September 2007, the Securities and Exchange Commission ('SEC') approved the Company's issue of securities in accordance with the Employee Stock Option Program ('ESOP') as follows :

- Allocate and offer 907,868,559 units of warrants at the fixed exercise price of Baht 2.88 per share, exercise ratio of 1:1 for a 4-year term expiring on 28 June 2011.
- Allocate and offer 38,102,741 units of warrants to former employees of IRPC group who had been terminated from the Company under the Company's rules and regulations at the fixed exercise price of Baht 2.88 per unit, exercise ratio of 1:1 for a 4-year term expiring on 27 September 2011.
- The first exercise period shall commence one year from the warrant issuing date. Warrants not exceeding 50% and 25% of total warrants shall be exercised in the second and third years, respectively, and the remaining portion shall be exercised in the fourth year. The warrants shall be exercised on the last business day of every March, June, September and December of every year. Exercisable warrants not exercised in the second and third years may be exercised in the following years until the maturity date.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 20 Share capital and premium on share capital (continued)

The Company will cancel any remaining warrants that are not allocated to employees and former employees according to the specified maturity date above.

The movement of warrants that are registered and are non-transferable for the year ended 31 December 2010 are as follows :

	Beginning balance	Issue during the year	Exercise during the year	Closing balance
Warrants 907,868,559 units	586,165,359	-	323,679,700	262,485,659
Warrants 38,102,741 units	30,655,541	-	16,983,800	13,671,741
<b>Total</b>	<b>616,820,900</b>	<b>-</b>	<b>340,663,500</b>	<b>276,157,400</b>

During the year 2010, the Company registered the total paid-up ordinary shares for the warrants under the Employee Stock Option Plan ('ESOP') of 341 million shares at the exercise price of Baht 2.88 per share with a par value of Baht 1 per share.

The Group does not recognise the outstanding warrants which have not yet been exercised in these financial statements.

#### 21 Legal reserve

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Balance as at 31 December 2008	2,048	2,048	2,048	2,048
Appropriation during the year	-	-	-	-
Balance as at 31 December 2009	2,048	2,048	2,048	2,048
Appropriation during the year	-	-	-	-
Balance as at 31 December 2010	2,048	2,048	2,048	2,048

Under the Public Company Act, the Company is required to set aside a statutory reserve of at least 5% of its net profit after accumulated deficit is brought forward (if any) until the reserve reaches not less than 10% of the registered capital. The legal reserve is non-distributable.

The legal reserve has been fully provided to comply with the law since 2007.

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 22 Treasury stock - Company's shares held by subsidiaries

	Consolidated	
	2010 Baht million	2009 Baht million
Thai ABS Company Limited	-	26
IRPC Oil Company Limited	135	201
<b>Total</b>	<b>135</b>	<b>227</b>

As at 31 December 2010, the Company's ordinary shares of 25,828,400 shares have been held by IRPC Oil Company Limited, a wholly-owned subsidiary (2009: the Company's ordinary shares of 6,190,800 shares and 38,485,200 shares have been held by two wholly-owned subsidiaries being Thai ABS Company Limited and IRPC Oil Company Limited, respectively). These investments are stated at costs and presented in the balance sheets as a deduction of total shareholders' equity.

During the year 2010, the two subsidiaries disposed of the Company's shares totalling 18.85 million shares with the total gain of Baht 12.76 million. The gain from disposal of treasury stocks has been presented as 'premium on treasury stock' under the shareholders' equity.

## 23 Minority interests

	Consolidated	
	2010 Baht million	2009 Baht million
Beginning balance	48	48
Share of net profit of subsidiaries	4	9
Dividends paid	(8)	(9)
Ending balance	<b>44</b>	<b>48</b>

## 24 Other income/(other expenses)

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Interest income	69	65	83	90
Dividend income	39	41	569	39
Gains/(losses) on disposals of fixed assets	(33)	(6)	(15)	16
Losses on disposals of investments in trading securities	-	(62)	-	(4)

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 24 Other income/(other expenses) (continued)

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Unrealised gains/(losses) from change in fair value of investments in trading securities	639	361	639	361
Realised gains on exchange rate	968	265	937	255
Unrealised gains/(losses) on exchange rate	15	(18)	17	(18)
Derivative financial instruments recognised through the statements of income				
- Realised losses from crack spread swap and time spread swap contracts	(397)	(231)	(397)	(231)
- Unrealised gains/(losses) from crack spread swap and time spread swap contracts	196	(339)	196	(339)
- Unrealised losses from foreign currency forward contracts for receivables and payables	(71)	-	(71)	-
Tax refund from custom duty	170	191	170	191
Reversal of/(impairment loss) of fixed assets and other non-current assets	90	(255)	86	(584)
Others	172	153	155	142
<b>Total</b>	<b>1,857</b>	<b>165</b>	<b>2,369</b>	<b>(82)</b>

## 25 Administrative expenses

	Notes	Consolidated		Company	
		2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Staff costs	26	1,677	1,412	1,600	1,279
Consultant fee		284	229	283	228
Depreciation	14	134	168	83	123
Rental		160	121	129	104
Advertising		70	36	70	36
Doubtful accounts/(reversals)	2.3	31	-	(629)	(1)
Others		759	605	791	604
<b>Total</b>		<b>3,115</b>	<b>2,571</b>	<b>2,327</b>	<b>2,373</b>

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 26 Staff costs

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Salary and wages	2,577	2,386	2,258	2,068
Bonus	1,115	945	1,024	853
Provident fund and social security	250	226	233	208
Severance payment	10	5	10	5
Others	1,137	1,047	1,112	1,021
<b>Total</b>	<b>5,089</b>	<b>4,609</b>	<b>4,637</b>	<b>4,155</b>

Staff costs of Baht 3,412 million and Baht 3,038 million have been included in costs of sales in the consolidated and company statements of income for the year ended 31 December 2010, respectively (2009: Baht 3,197 million and Baht 2,876 million in the consolidated and company statements of income, respectively). Whereas the staff costs of Baht 1,677 million and Baht 1,600 million have been included in administrative expenses in the consolidated and company statements of income for the year ended 31 December 2010, respectively (2009: Baht 1,412 million and Baht 1,279 million in the consolidated and company statements of income, respectively).

## 27 Finance costs

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Interest expenses	1,217	1,306	1,217	1,306
Realised gains from exchange rate from debentures	(12)	(7)	(12)	(7)
Unrealised (gains)/losses from exchange rate from debentures	(766)	(373)	(766)	(373)
Realised (gains)/losses from foreign currency forward contracts and interest rate swap contracts	25	(113)	25	(113)
Unrealised losses from foreign currency forward contracts and interest rate swap contracts	58	224	58	224
Financing fees	11	40	11	40
Gains on repurchase of debentures	-	(86)	-	(86)
<b>Total</b>	<b>533</b>	<b>991</b>	<b>533</b>	<b>991</b>

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 28 Income tax

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Current tax				
- Income tax for the year	130	51	-	-

As at 31 December 2010, the Company has a loss carried forward which can be utilised as a tax benefit. Income tax expense is calculated from the taxable net profit of subsidiaries at 30% per annum.

#### 29 Earnings per share

Basic earnings per share of the equity holders of the parent are calculated by dividing the net profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Company	
	2010	2009	2010	2009
Net profit attributable to ordinary shareholders of the parent (Baht million)	6,183	5,416	6,807	4,185
Weighted average number of ordinary shares in issue during the year (Million shares)	20,040	19,737	20,040	19,737
Basic earnings per share of shareholders of the parent (Baht)	0.31	0.27	0.34	0.21

Diluted earnings per share are calculated by dividing the net profit attributable to equity holders of the parent by the weighted average number of ordinary shares assuming conversion of warrants to ordinary shares for the years ended 31 December 2010 and 2009 are 142 million shares and 81 million shares, respectively.

#### Weighted average number of ordinary shares (diluted)

	Consolidated		Company	
	2010 Million shares	2009 Million shares	2010 Million shares	2009 Million shares
Weighted average number of ordinary shares (basic)	20,040	19,737	20,040	19,737
Effect of conversion of warrants	142	81	142	81
Weighted average number of ordinary shares (diluted)	20,182	19,818	20,182	19,818



## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 29 Earnings per share (continued)

	Consolidated		Company	
	2010	2009	2010	2009
Net profit attributable to ordinary shareholders of parent (Baht million)	6,183	5,416	6,807	4,185
Weighted average number of ordinary shares for diluted earnings per share (Million shares)	20,182	19,818	20,182	19,818
Diluted earnings per share of shareholders of the parent (Baht)	0.31	0.27	0.34	0.21

## 30 Dividends

At the Annual General Shareholders' meeting on 8 April 2010, the shareholders approved a dividend payment of the operating results of 2009 at Baht 0.18 per share. The Company already paid interim dividends during 2009 at Baht 0.08 per share, totalling of Baht 1,578 million. The remaining dividends of Baht 0.10 per share, totalling of Baht 1,999 million were paid to shareholders in May 2010 (2009: Dividend payment from retained earnings of 2008 at Baht 0.18 per share, totalling of Baht 3,540 million).

At the Board of Directors' meeting on 20 August 2010, the Board approved to pay an interim dividend at Baht 0.08 per share for 20,123 million shares, totalling Baht 1,609 million. The Company already paid the interim dividend to the shareholders during the year 2010.

## 31 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Company and a subsidiary have been granted privileges by the Board of Investment relating to the manufacture of Acetylene Black, Compounded Plastic and expansion of capacity including the cogeneration and steam power plant project ('CHP'). The privileges granted include :

- (a) exemption from payment of import duty and tax on materials and necessary parts including machinery as approved by the Board;
- (b) exemption from payment of income tax on the net profit derived from certain operations for a period of five to eight years from the date on which the income is first derived from such operations; and
- (c) a 50 % reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years commencing from the expiry date in (b) above.
- (d) the double deduction of logistics, electricity and water expenses for a period of ten years since income is first derived income from such operations.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 31 Promotional privileges (continued)

As promoted companies, the Company and the subsidiary must comply with certain terms and conditions prescribed in the promotional certificates.

Revenues from sales are classified into the promoted business and the non-promoted business and presented in the financial statements for the years ended 31 December 2010 and 2009 as follows :

	Consolidated / Company		
	B0I granted Baht million	Non-B0I granted Baht million	Total Baht million
<b>2010</b>			
Revenues from sales - Export	1,877	64,150	66,027
- Domestic	9,041	154,809	163,850
<b>Total</b>	<b>10,918</b>	<b>218,959</b>	<b>229,877</b>
<b>2009</b>			
Revenues from sales - Export	9,292	36,054	45,346
- Domestic	32,737	94,481	127,218
<b>Total</b>	<b>42,029</b>	<b>130,535</b>	<b>172,564</b>

#### 32 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

PTT Public Company Limited is the major shareholder of the Company as at 31 December 2010 and 2009, holding 39.02% and 36.68% of the Company's shares, respectively. The other major shareholders are the Government Saving Bank, Vayupak Fund 1 and Government Pension Fund.

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 32 Related party transactions (continued)

The pricing policies for particular types of transactions are explained further below :

Transactions	Pricing policies
Sales of goods	Market price
Purchases of goods	According to the explanation below
Selling and administrative expenses which mainly are throughput fee and tank farms rental	Contractually agreed prices
Interest income and interest expenses	Short-term - at the rate as specified in the agreements, 5.29% per annum, Long-term - the weighted average interest rates of fixed deposits for four domestic commercial banks
Directors' remunerations (meeting, bonus)	The rate approved by Board of Directors and shareholders

Purchases of goods from a major shareholder - the major shareholder has provided services relating to the purchasing and payment process of goods. The purchase price includes a service fee charged by the major shareholder and approximates the price which the Group has procured on its own. In addition, the Company has also entered into derivative instruments with the major shareholder to protect the pricing risk regarding raw materials and products. Purchases of goods from subsidiaries are based on cost plus margin.

Significant transactions with related parties are summarised as follows :

## (a) Sales and purchases of goods, services rendered and received

Transactions during the years ended 31 December 2010 and 2009 are as follows :

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Revenue from sales of goods</b>				
- Major shareholder	16,369	7,451	16,236	7,447
- Subsidiaries	-	-	20,399	16,438
- Other related parties	6,913	5,650	6,913	5,650
<b>Purchase of goods</b>				
- Major shareholder	132,665	98,468	132,665	98,468
- Subsidiaries	-	-	13,067	11,194
- Other related parties	8,138	6,251	8,060	6,194

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 32 Related party transactions (continued)

Significant transactions with related parties are summarised as follows : (continued)

## (a) Sales and purchases of goods, services rendered and received (continued)

Transactions during the years ended 31 December 2010 and 2009 are as follows : (continued)

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Selling and administrative expenses</b>				
- Major shareholder	60	49	60	49
- Subsidiaries	-	-	357	367
- Other related parties	215	74	211	74
<b>Interest income, dividend received and other income/ (other expenses)</b>				
- Major shareholder	(205)	(229)	(205)	(229)
- Subsidiaries	-	-	580	55
- Other related parties	42	38	39	38
<b>Directors' and management's remuneration</b>				
- Other related parties	126	92	115	84

## (b) Trade accounts receivable from related parties - net

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Major shareholder	755	993	746	989
Subsidiaries	-	-	1,726	1,580
Other related parties	319	495	319	495
	1,074	1,488	2,791	3,064
<u>Less</u> Allowance for doubtful debts	-	-	(5)	(5)
<b>Net</b>	<b>1,074</b>	<b>1,488</b>	<b>2,786</b>	<b>3,059</b>

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 32 Related party transactions (continued)

## (c) Amounts due from related parties - net

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Other receivables and reimbursement</b>				
Major shareholder	15	324	15	324
Subsidiaries	-	-	90	147
Other related parties	64	64	46	46
	79	388	151	517
<u>Less</u> Allowance for doubtful debts	(60)	(60)	(125)	(125)
Net	19	328	26	392

Refer to Note 2.3, in the fourth quarter of 2010 there is a reclassification from other receivables and reimbursement of Baht 56 million of TPI Aromatics Public Company Limited to present as transactions with a subsidiary under the bankruptcy process in Note 32 (e).

## (d) Short-term loans and interest receivables from related parties - net

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Short-term loans and interest receivables</b>				
Subsidiaries	-	-	212	663
<u>Less</u> Allowance for doubtful debts	-	-	(138)	(495)
Net	-	-	74	168

During the year ended 31 December 2010, a subsidiary has repaid the principal of Baht 55 million.

Refer to Note 2.3, in the fourth quarter of 2010 there are reclassifications from short-term loans and interest receivables of Baht 403 million and allowance for doubtful debts of Baht 357 million of TPI Aromatics Public Company Limited to present as transactions with a subsidiary under process of bankruptcy in Note 32 (e).

Average interest rate of short-term loans to related parties is 5.29% per annum (2009: 5.29% per annum). Items that have been provided an allowance for doubtful debt have stopped charging interest.

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 32 Related party transactions (continued)

## (e) Loans to and interest receivables from related parties - net

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Long-term loans and interest receivables</b>				
Subsidiaries	-	-	1,537	6,857
<u>Less</u> Allowance for doubtful debts	-	-	-	(3,017)
Net	-	-	1,537	3,840
<b>A subsidiary under bankruptcy process</b>				
- Advances	56	-	56	-
- Short-term loans and interest receivables	1,252	-	403	-
- Long-term loans and interest receivables	5,415	-	5,331	-
<u>Less</u> Allowance for doubtful debts	(3,430)	-	(2,714)	-
Net	3,293	-	3,076	-
<b>Total, net</b>	<b>3,293</b>	<b>-</b>	<b>4,613</b>	<b>3,840</b>

Refer to Note 2.3, in the fourth quarter of 2010 there are reclassifications from long-term loans and interest receivables of Baht 5,331 million and allowance for doubtful debts of Baht 3,017 million of TPI Aromatics Public Company Limited to present as transactions with a subsidiary under process of bankruptcy. However, the allowance for doubtful debts in the company financial statements at 31 December 2010 of Baht 660 million has been reversed to reflect the recoverable amount from the assets to be disposed of such subsidiary.

Average interest rate of long-term loans to related parties is 0.675% to 1.61% per annum (2009: 0.70% to 1.69% per annum) which were incurred from IRPC Polyol Company Limited and IRPC Oil Company Limited.

## (f) Trade accounts payable to related parties

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Major Shareholder	5,189	5,407	5,189	5,407
Subsidiaries	-	-	1,277	1,646
Other related parties	836	496	826	487
<b>Total</b>	<b>6,025</b>	<b>5,903</b>	<b>7,292</b>	<b>7,540</b>

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 32 Related party transactions (continued)

## (g) Amounts due to related parties

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Other payables and reimbursement</b>				
Major shareholder	276	12	276	12
Subsidiaries	-	-	31	33
Other related parties	18	4	15	2
<b>Total</b>	<b>294</b>	<b>16</b>	<b>322</b>	<b>47</b>

## (h) Loans and interest payables to related parties

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Short-term loans and interest payables</b>				
Subsidiaries	-	-	-	2,292
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,292</b>
<b>A subsidiary under bankruptcy process</b>				
- Loans and interest payables	2,255	-	2,255	-
<b>Total</b>	<b>2,255</b>	<b>-</b>	<b>2,255</b>	<b>-</b>

During the year 31 December 2010, the Company has repaid interest payables of Baht 37 million to a subsidiary.

Refer to Note 2.3, in the fourth quarter of 2010 there is a reclassification from short-term loans and interest payables of Baht 2,255 million of TPI Aromatics Public Company Limited to present as transactions with a subsidiary under process of bankruptcy, which has been presented under non-current liabilities.

## (h) Directors' and management's remuneration

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Directors' remuneration	61	32	50	24
Management's remuneration	65	60	65	60
<b>Total</b>	<b>126</b>	<b>92</b>	<b>115</b>	<b>84</b>

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

### 33 Transactions with the former management and entities relating to the former management, net

The Group had transactions with the former management who are Mr. Prachai Liaopairattana and his family and the entities relating to the former management which previously were the related parties of the Group. Most of the outstanding balances incurred in the past between the Group and the former management and the entities relating to the former management have already been set up the allowance in the full amounts.

Transactions with the former management and the entities relating to the former management as at 31 December 2010 and 2009 can be summarised as follows :

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Short-term loans</b>				
Pornchai Enterprise Company Limited	3,482	3,482	3,476	3,476
TPI EOEG Company Limited	829	829	829	829
TPI Holding Company Limited	1,685	1,685	1,685	1,685
TPI Automation System Company Limited	1	1	1	1
<b>Accrued interest receivables</b>				
Pornchai Enterprise Company Limited	1,709	1,709	1,705	1,705
TPI EOEG Company Limited	440	440	440	440
TPI Holding Company Limited	965	965	965	965
TPI Automation System Company Limited	1	1	1	1
<b>Other receivables and reimbursements</b>				
Pornchai Enterprise Company Limited	893	893	801	801
Reimbursements for the former management	394	394	26	26
Others	4	4	5	5
<b>Notes receivable for purchase of land</b>				
Thai Special Steel Industry Public Company Limited	1,739	1,739	1,739	1,739
	12,142	12,142	11,673	11,673
<u>Less Allowance for doubtful debts</u>	<u>(12,070)</u>	<u>(12,070)</u>	<u>(11,635)</u>	<u>(11,635)</u>
<b>Net</b>	<b>72</b>	<b>72</b>	<b>38</b>	<b>38</b>
<b>Other accounts payable and reimbursements</b>				
Pornchai Enterprise Company Limited	12	12	12	12
Payables to former management	101	114	101	101
<b>Total</b>	<b>113</b>	<b>126</b>	<b>113</b>	<b>113</b>



## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

### 33 Transactions with the former management and entities relating to the former management, net (continued)

Transactions with the former management and the entities relating to the former management as at 31 December 2010 and 2009 can be summarised as follows : (continued)

	% of investment	Consolidated		Company	
		2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Investments</b>					
Thai International Tanker Co., Ltd.	49.99	141	141	-	-
Pornchai Enterprise Co., Ltd.	25.00	74	74	74	74
TPI EOEG Co., Ltd.	25.00	-	-	-	-
Thai Special Steel Industry Plc.	16.24	673	673	673	673
United Grain Industry Co., Ltd.	18.05	99	99	41	41
		987	987	788	788
Less Allowance for impairment		(987)	(987)	(788)	(788)
<b>Net</b>		-	-	-	-

The Group has investments in Thai International Tanker Co., Ltd., Pornchai Enterprise Co., Ltd, and TPI EOEG Co., Ltd., which are companies incorporated and domiciled in Thailand in the portion of 49.99%, 25%, and 25% of total common shares in each company, respectively. However, the Group has not been able to control, direct or to govern those three companies. The remaining investments in the other two companies that are related to the former management are investments in common shares. The Group has fully provided the allowance for impairment to those investments.

At present, the Group has filed lawsuits to claim against the former management with regard to the liabilities that they have with the Group. All cases are in the process of related legal courts.

### 34 Financial instruments

(a) As at 31 December 2010 and 2009, the Group has financial assets and liabilities in foreign currencies as follows :

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Assets</b>				
US Dollar	5,373	2,105	5,259	2,034
Euro	30	23	30	23
<b>Total</b>	5,403	2,128	5,289	2,057

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 34 Financial instruments (continued)

- (a) As at 31 December 2010 and 2009, the Group has financial assets and liabilities in foreign currencies as follows :  
(continued)

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>Liabilities</b>				
US Dollar - Debentures	7,179	7,939	7,179	7,939
US Dollar	56	2,699	56	2,699
Euro	8	40	8	40
Others	24	4	21	2
<b>Total</b>	<b>7,267</b>	<b>10,682</b>	<b>7,264</b>	<b>10,680</b>

- (b) The Group has significant contracts related to financial instruments as follows :

#### Interest rate swap contracts

The Company has entered into two interest rate swap agreements on debentures with two financial institutions. Each contract has a notional amount of US Dollars 50 million, totalling of US Dollars 100 million. The contracts are to swap from fixed rate at 6.375% per annum to floating rates by which the first to the fourth years are fixed at the rates of 5.485% and 5.5%, respectively and in the fifth to the tenth years are at the floating rates of 6-month LIBOR plus margin. The contracts shall be effective for a period of 10 years commencing 25 May 2007. However, after the end of the fourth year, the financial institutions have an option to cancel these agreements. As at 31 December 2010 and 2009, the outstanding balances under the interest rate swap contracts are US Dollars 100 million.

On 18 March 2010, the Company entered into two interest rate swap contracts for Baht long-term loans with the two financial institutions, totalling Baht 2,200 million to swap the floating interest rate at THBFIX 6-month per annum to a fixed interest rate. The contracts will be effective for a period of 7 years commencing 30 December 2009. As at 31 December 2010, the outstanding balances under the interest rate swap contracts are Baht 2,200 million.

#### Foreign currency forward contracts

The Company has entered into the foreign currency forward contracts as follows :

##### *Short-term*

- The foreign currency sale agreements of US Dollars 401 million in an exchange for Baht currency with maturity date within one year (31 December 2009: foreign currency sale agreements of US Dollars 40 million with maturity date within one year).

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 34 Financial instruments (continued)

(b) The Group has significant contracts related to financial instruments as follows : (continued)

##### Foreign currency forward contracts (continued)

The Company has entered into the foreign currency forward contracts as follows : (continued)

###### *Long-term*

- The currency swap agreements on principal of debentures of US Dollars 75 million for the exchange of Baht at the average of each weekly exchange rate less discount rate of Baht 0.87, effective from 23 July 2007 to 24 May 2017. As at 31 December 2010 and 2009, the outstanding balances under the foreign exchange forward contracts are US Dollars 75 million.

##### Crack Spread Swap Contracts and Time Spread Swap Contracts

The Company has entered into Crack Spread Swap Contracts for the differences of crude oil and petroleum products with PTT Public Company Limited in order to swap the spread of the average floating price at each settlement period to the fixed price. The contracts are effective from January to December 2011. As at 31 December 2010, the outstanding balance under such contracts is at 0.675 million barrels (31 December 2009 : 0.44 million barrels).

The Company has entered into Time Spread Swap Contracts with PTT Public Company Limited and a financial institution in order to swap the average floating price of crude oil of November and December 2010 with the average floating price of crude oil of the following months. As at 31 December 2010, the outstanding balance under such contracts is at 0.70 million barrels and 40,000 tons (31 December 2009: 8.55 million barrels).

#### (c) Fair values

The carrying amounts of cash and cash equivalent, short-term investments, trade accounts receivable and other short-term receivables, trade accounts payable, other payables, short-term loans from financial institutions, short-term loans to related parties and short-term loans from related parties approximate fair values due to the short maturity period.

The carrying amounts of long-term loans to related parties approximate their fair values due to floating interest rate.

Fair values of long-term loans from financial institutions and debentures have been disclosed in Note 17.

As at 31 December 2010 and 2009, the Group has derivatives, which are foreign exchange forward contracts, interest rate swap contracts, crack spread and time spread contracts, recognised in the financial statements at fair values as below :

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
Derivative assets presented in other current assets	-	13	-	13
Derivative liabilities presented in other current liabilities	156	236	156	236

## Notes to the consolidated and company financial statements

## IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

## 35 Commitments, contingent liabilities, and significant agreements

## (a) Capital commitments

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>As at 31 December</b>				
Contracted but not recognised in the financial statements				
- Purchase agreements for machinery and construction	4,669	5,611	4,669	5,611
- Consultation agreements	189	94	189	94
<b>Total</b>	<b>4,858</b>	<b>5,705</b>	<b>4,858</b>	<b>5,705</b>

## (b) Non-cancellable operating lease commitments

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>As at 31 December</b>				
Office building rental agreements :				
- within 1 year	5	22	5	22
Land lease agreements :				
- within 1 year	3	4	1	1
- over 1 to 5 years	1	4	1	1
- more than 5 years	6	6	6	6
	10	14	8	8
<b>Total</b>	<b>15</b>	<b>36</b>	<b>13</b>	<b>30</b>
<b>Other commitments :</b>				
Outstanding letters of credits	244	231	8	9

## (c) Contingent liabilities

	Consolidated		Company	
	2010 Baht million	2009 Baht million	2010 Baht million	2009 Baht million
<b>As at 31 December</b>				
<b>Contingent liabilities :</b>				
- Bank guarantees	620	352	618	351
- Others	20	55	20	55
<b>Total</b>	<b>640</b>	<b>407</b>	<b>638</b>	<b>406</b>

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 35 Commitments, contingent liabilities, and significant agreements (continued)

##### (d) The Company's tank farms and land expropriated for road construction

Some of the Company's tank farms are located in a yellow zone (less crowded community zone) and green zone (recreational & environmental reserved zone). According to the Town and Country Planning Department of Rayong Province, such plots of land were restricted from construction of factories, oil and gas tanks. In addition, other plots of the land are under expropriation for construction of 2 public roads. At the present time, the Company is in the process of filing a petition to modify the town plan of Rayong Province in the area of the Company's tank farms from the yellow and green zones to be a purple zone (industrial zone) and to alter the construction plan of 2 public roads to be away from the area. Failure of the petition may affect the impairment of the operating assets. Rayong Map Planning Bureau has agreed to consider this case in the budget meeting during the year 2010. As at 31 December 2010, the plans for the modification of the town are in the process of being prepared.

##### (e) Other significant agreements with related parties

###### *Sales/Purchases of Refined Oil Agreement from Depot, Chumporn province*

On 1 January 2006, the Company entered into a Sales/ Purchases of Refined Oil Agreement from the depot in Chumporn province with PTT Public Company Limited. The Company agrees to sell refined oil from its depot at Chumporn province at the quantity level, pricing structure rates and other related service charges as defined in the agreement. The agreement was effective for a period of 3 years and expired on 31 December 2008. The Company has extended the contract to another 3 years ending 31 December 2011. The new terms and conditions are stipulated in the new agreement.

###### *Crude and Feedstock Supply Agreements*

The Company has entered into Crude and Feedstock Supply Agreements with PTT Public Company Limited. The contracts shall be effective for a period of 1 year with maturity date on 31 December 2010. The purchased quantity and pricing structure of crude and feedstock supply are as stipulated in the contracts. The Company has renewed the agreement to 31 December 2011 with the terms and conditions as specified in the renewal agreement.

###### *Gas Sale and Purchase Agreement*

The Company has entered into a Gas Sale and Purchase Agreement with PTT Public Company Limited ("PTT") for the quantity and price as specified in the agreement. The agreement is effective for a period of 10 years commencing from the gas delivering date by PTT and the receiving date by the Company. The agreement can be extended under the conditions stipulated in the agreement.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 36 Significant claims and legal proceedings

As at 31 December 2010, the Company has significant cases for which the results have not yet been finalised as follows :

(1) *Petition for termination or cancellation of the equity sales agreements for both old and new capital-Red Case No. For. 8/2548 Section 10/5, Section 28 and Section 34*

##### Red Case No. For. 8/2548 Section 10/5

The former management has filed a petition with the Central Bankruptcy Court to terminate or cancel the equity sales agreements for both old and new capital of the Company and allow for the public to offer the share price. In addition, the former management has also filed a petition to the Court for temporary protection by which to request the Court to place the process under the equity sales agreements dated 1 June 2005 on hold until the Court has finalised the case.

##### Red Case No. For. 8/2548 Section 28

Four minority shareholders of the Company initially filed a petition with the Central Bankruptcy Court to allow former shareholders the right to purchase the Company's shares before they are offered to other investors or any parties that the Ministry of Finance has proposed. The Court sentenced on 8 April 2005 to dismiss the petition. The minority shareholders of the Company have further appealed against the order of the Central Bankruptcy Court.

##### Red Case No. For. 8/2548 Section 34

The former management filed on 9 December 2005 for three petitions which are 1) to request the Court to order the Plan Administrator to determine the share offering price fairly, 2) to request the Court to investigate this case urgently, and 3) to request the Court to order a stop on selling of shares to the major investors and creditors before the official ruling by the Court. On the same date, the Court sentenced to dismiss the three petitions. The management of the debtor further appealed on 21 December 2005 against the Central Bankruptcy Court's ruling. On 11 December 2007, the Supreme Court ordered the Plan Administrator, PTT Public Company Limited, Government Pension Fund, Government Saving Bank, and Vayupak Fund 1 to temporarily stop trading the new capital of the Company while the Supreme Court is in its process of consideration over the four months commencing 13 December 2007.

##### *Court ruling :*

##### Red Case No. For. 8/2548 Section 10/5

On 10 November 2008, the Supreme Court sentenced according to the Central Bankruptcy Court's rule that the sales agreement did not conflict with the plan. The Court deemed that the former management's appeal was not supported by strong evidence and the Court order was in consensus.

##### Red Case No. For. 8/2548 Section 28

The Supreme Court sentenced the same as the Central Bankruptcy Court in January 2011.

##### Red Case No. For. 8/2548 Section 34

Regarding the request for termination or cancellation of the equity sales agreement for new capital section 34, the Supreme Court ruled on 15 October 2008 by considering that the petition with the Central Bankruptcy Court, regarding the

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

### 36 Significant claims and legal proceedings (continued)

As at 31 December 2010, the Company has significant cases for which the results have not yet been finalised as follows :  
(continued)

#### Red Case No. For. 8/2548 Section 34 (continued)

point that the Plan Administrator legally supplied for co-investors and made the equity sales agreement according to the plan, is a redundant process. Therefore, the Court will not consider the other appeals of the former management.

(2) *Demand for nullification of outcomes from the Company's ordinary shareholders' meetings and the extraordinary shareholders' meetings and extraordinary shareholders' meetings - Black Case No. Phor Gor. 5/2550 and Black Case No. Phor Gor. 6-9/2551*

The former management filed a petition with the Central Bankruptcy Court to nullify the outcomes from the ordinary shareholders' meetings held on 27 April 2006 and 20 April 2007 and those from the extraordinary shareholders' meetings held on 20 July 2006, 26 October 2006 and 19 January 2007 by claiming that the meetings were illegitimate and invalid. Previously, the plaintiff had filed to the Rayong Provincial Court to withdraw the outcomes of those meetings. The defendant subsequently argued that the cases were not under the jurisdiction of the Rayong Court. The Director General of the Supreme Court ruled that the cases fall under the Central Bankruptcy Court's jurisdiction, thus the plaintiff has further filed to the Central Bankruptcy Court.

#### *Court ruling :*

The Central Bankruptcy Court acquitted the Black Case No. Phor Gor 5/2550 on 27 June 2008. The plaintiff subsequently appealed the case to the Supreme Court, where the case is currently under the Supreme Court's consideration. For the Black Case No. Phor Gor 6-9/2551, the Central Bankruptcy Court is currently going through the witnesses examination process.

(3) *Demand for nullification of outcomes from the subsidiaries' ordinary shareholders' meeting - Black Case No. 6711-15/2549 and Black Case No. Phor Gor 4-6/2552 and No. Phor Gor 8-9/2552 and the Black Case No. 1809/2553*

The former management filed a petition to nullify the outcomes of the ordinary shareholders' meetings of five subsidiaries which include: 1) IRPC Oil Company Limited, 2) IRPC Polyol Company Limited, 3) Thai Polyurethane Industry Company Limited, 4) Thai ABS Company Limited and 5) IRPC Energy Company Limited. Additionally, the former management sought monetary damages from the Board of Directors amounting to Baht 80 million for each company, totalling Baht 400 million. Currently, the case is under the consideration of the Central Bankruptcy Court as per the Supreme Court's order on 24 November 2008. The reference number of the case was changed from Black Case No. 6711-15/2549 to Black Case No. Sor For 65-69/2551.

On 4 May 2010, the former management also filed a petition to nullify the outcome from the ordinary shareholders' meeting of TPI Internet Portal Company Limited, another subsidiary of the Company based on a claim that the meeting was illegitimate and invalid. The petition contains a request to withdraw the registration of the Directors that took place in the meeting. The subsidiary received the related court warrant recently on 16 October 2010.

#### *Court ruling :*

At present, each case is under the process of witness examination by the Central Bankruptcy Court.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 36 Significant claims and legal proceedings (continued)

As at 31 December 2010, the Company has significant cases for which the results have not yet been finalised as follows :  
(continued)

(4) *Petition against the sales of shares of TPI Polene Public Company Limited - Red Case No. For. 8/2543 Section 33*

The management of the debtor originally submitted a petition against the sales of 250 million shares of TPI Polene Public Company Limited to the creditor (the Company). The Central Bankruptcy Court dismissed the petition on the basis that the sale was carried out as part of the rehabilitation plan that was approved by the Court itself. The management of the debtor subsequently filed an appeal to the Supreme Court, who has accepted the filing. However, the Plan Administrator has sought to block the appeal by the debtor.

*Court ruling :*

At present, the case is under consideration by the Supreme Court.

(5) *Petition of loans to entities relating to Liaopairattana family*

During the years 1997 to 2000 (period when the Custodian Officer was seeking fund), the Company, under the management at that time, provided interest-inclusive collateral-free loans amounting to Baht 8,000 million to the three related companies which were: 1) Pornchai Enterprise Company Limited, 2) TPI EOEG Company Limited, and 3) TPI Holding Company Limited. The related companies were managed by Mr. Prachai Liaopairattana and his family members as Directors and shareholders, during a time when the Company was going through a rehabilitation plan. The Asset Protector sought for repayment of debts from the three companies, to which the companies responded by submitting a court petition against the action. However, the petition was dismissed because the Company was nearing completion of its rehabilitation plan. Then, the Company requested for the repayment of the loans again, but the three debtors did not have sufficient funds to repay the loans; therefore, the Company, subsequently, filed a claim against those companies in bankruptcy.

The three related companies purchased three million additional shares issued by Liaopairattana Enterprise Company Limited which is managed and owned by the Liaopairattana family, at Baht 5,500 per share while the par value and net book value were Baht 100 per share and Baht 121 per share, respectively. Liaopairattana Enterprise Company Limited subsequently claimed that those companies had debts totalling Baht 12,000 million and claimed itself as being the major creditor (with the right to appoint the planner) of those companies to the Central Bankruptcy Court. Moreover, Liaopairattana Enterprise Company Limited demanded repayment at the Southern Bangkok Civil Court then compromised within a two-day period. Liaopairattana Enterprise Company Limited was appointed as the creditor according to the ruling.

The Central Bankruptcy Court had ordered the three companies to be rehabilitated due to their liabilities exceeding their assets. However, at the Plan Administrator's voting stage, the Asset Protector resolved that the debts did not actually exist and did not allow the voting to proceed based on two reasons: the amount of share premium had to be authorised by law and the premium had to be paid at the same time as the first payment of shares. Furthermore, the two managements, which could be viewed as one single entity, should be able to reach a compromise in such case. At the Plan Administrator's consideration stage, Liaopairattana Enterprise Company Limited opposed the appointment of Advance Planner Company Limited to be the Plan Administrator as proposed by IRPC Public Company Limited. Subsequently, the Court has ordered to arrange a second meeting with their creditors regarding the voting over the Plan Administrator's selection. However, the Asset Protector insisted on conditions from the previous order from the first creditors' meeting. The Central Bankruptcy Court



## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 36 Significant claims and legal proceedings (continued)

As at 31 December 2010, the Company has significant cases for which the results have not yet been finalised as follows :  
(continued)

##### (5) *Petition of loans to entities relating to Liaopairattana family (continued)*

dismissed the rehabilitation plan of the three companies requested by Liaopairattana Enterprise Company Limited on 7 July 2008.

Subsequently, on 18 August 2008, those three companies which are 1) Pornchai Enterprise Company Limited, 2) TPI EOEG Company Limited, and 3) TPI Holding Company Limited requested to the Central Bankruptcy Court to enter into the rehabilitation plan by citing the same debt balance totalling Baht 12,000 million, that Liaopairattana Enterprise Company Limited had utilised to support their rehabilitation plan and had argued that the debts did not exist.

##### *Court ruling :*

- The Company's initial appeal to the Southern Bangkok Civil Court regarding the cancellation of compromising contracts has been placed on suspension by the Court. The Company has further appealed the case to the Supreme Court, whereby the case is currently being considered.

- For the cases that the three companies themselves claimed to enter into the rehabilitation plan with the Central Bankruptcy Court, at present, the cases of TPI Holding Company Limited and Pornchai Enterprise Company Limited the Central Bankruptcy Court appointed them to be the Plan Administrator on 17 January 2011. Whereas the case of TPI EOEG Company Limited, the Court has ordered the company to enter into the rehabilitation on 23 February 2010. IRPC Public Company Limited has further filed appeals to the Supreme Court for 2 matters; 1) to appeal the order for rehabilitation and subsequently accepted by the Court on 26 October 2010; and 2) to appeal against the appointment of the Plan Administrator and subsequently denied by the Court on 26 October 2010.

##### (6) *Libel petition*

##### *Criminal libel petition - Black Case No. Or 2848/2550*

Mr. Prachai Liaopairattana filed a lawsuit against the Company and its associates, totalling 20 defendants, for libel in an advertisement according to the Criminal Law and Publishing Act B.E. 2484.

##### *Court ruling :*

On 31 July 2008, the Criminal Court dismissed the case on the basis that the underlying conditions did not meet the legal qualifications for a libel suit. The plaintiff subsequently filed an appeal, which is currently under consideration by the Appeal Court. While in the appeal stage, the total number of defendants has been reduced to 13 since the plaintiff has withdrawn certain defendants from the case.

##### *Civil libel petition - Black Case No. 3595/2550*

Mr. Prachai Liaopairattana filed a complaint against the Company and its associates, totalling 20 defendants, for libel in an advertisement. Mr. Prachai claimed that there was a statement that damaged his reputation. Such statement indicated that the rental agreement of TPI Tower with the maturity of 90 years involved questionable payments of Baht 956 million while the Company had a liquidity problem and high amounts of debt. The statement also mentioned the Company's ceasing

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

### 36 Significant claims and legal proceedings (continued)

As at 31 December 2010, the Company has significant cases for which the results have not yet been finalised as follows :  
(continued)

(6) *Libel petition (continued)*

*Civil libel petition - Black Case No. 3595/2550 (continued)*

of the debt repayments in August 1997, and cases with regard to the loans provided to related parties. At that time, the management provided loans to the three related parties including: 1) Pornchai Enterprise Company Limited, 2) TPI EOEK Company Limited, and 3) TPI Holding Company Limited. As such claims were presented in Siamrath Weekly, Mr. Prachai filed the lawsuit for libel and requested Baht 100,000 million in damages.

*Court ruling :*

At present, the Civil Court has suspended the civil libel petition case because it overlaps with the existing Criminal Black Case no. Or 2848/2550, and the civil ruling must comply with the criminal ruling. The criminal case is currently being considered by the Appeal Court. If the Appeal Court has any decision, the Black Case no. 3595/2550 will be reconsidered.

(7) *Lawsuit on the rental of Sun Tower Building - Black Case No. Or 3544/2550*

Mr. Prachai Liaopairattana has claimed against 17 directors of the Company as being the directors of the Public Company Limited which has shares listed in the Stock Exchange of Thailand. In addition, these directors were alleged to have received an undue advantage by relocating the Company's office in 2006 from TPI Tower to Sun Tower Building which was in violation of the Security and Stock Exchange Act 1992. Mr. Prachai claimed that there was no justification to relocate the office. However, the Company's management claimed that it would help improve the efficiency of the management.

*Court ruling :*

The Court acquitted the case on 26 September 2008. Currently, the case is under consideration by the Appeal Court. The plaintiff has withdrawn certain defendants, with the total remaining 13 defendants.

(8) *Labor case - Black Case No. Ror Yor. 258-259/2550*

Mr. Prachai Liaopairattana and Mrs. Orapin Liaopairattana have filed a monetary claim for additional salary and compensation for alleged unfair termination and others of Baht 1,344 million and Baht 694 million, respectively.

*Court ruling :*

On 5 August 2008, the Rayong Provincial Court ordered the defendant to pay indemnity, early notification and annual vacation payment to the plaintiffs at a total amount as deemed appropriate by the Company. The Company subsequently paid an amount of Baht 7.6 million to both plaintiffs on 1 September 2008. However, the plaintiff has further filed to appeal the sentence of the Labour Court to the Supreme Court. At present, the case is under the consideration by the Supreme Court.

(9) *Intellectual property and international commerce case - Black Case No. Gor Kor. 238/2546*

International Finance Corporation has filed a claim against Mr. Prachai Liaopairattana and Liaopairattana Enterprise Company Limited. On 25 October 2006, the Court summoned the Company to be a co-defendant as the Company was a

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 36 Significant claims and legal proceedings (continued)

As at 31 December 2010, the Company has significant cases for which the results have not yet been finalised as follows :  
(continued)

(9) *Intellectual property and international commerce case - Black Case No. Gor Kor. 238/2546 (continued)*

guarantor to Liaopairattana Enterprise Company Limited. The Company testified that it had made all debt repayments to the plaintiff under the terms and conditions of the rehabilitation plan. Therefore, there was no debt that either defendant would have to pay on behalf of the Company as guarantors. As a result, neither defendant has a right to force the Company to pay.

*Court ruling :*

The Court instructed for the three parties to come to a resolution, and the three parties have finished since achieved the resolution. Currently they are awaiting for the order of the Court.

(10) *Labor case - Black Case No. 3851-61/2548, 5804/2548 and Red Case No. 7129-39/2548*

Mr. Chaiyuth Limlaval and associates have filed a claim for salary and compensation for alleged unfair termination and others of approximately Baht 122 million.

*Court ruling :*

The Company was sued by the said former employees for a claim for salary and compensation for alleged unfair termination and the Company subsequently filed a counterclaim. At a later date on 31 January 2006, the Trial Court ordered the defendant to pay indemnity, early notification and annual vacation payment to the plaintiffs approximately Baht 3 million with interest of 7.5 % per annum. The plaintiffs later appealed to the Supreme Court. In the end, the Supreme Court dismissed both the plaintiff and the defendant (the Company), and issued the same ruling as the Trial Court. However, the black case no. 5804/2548 has been temporarily suspended by the Court until the outcomes of the black cases no. 3851-61/2548 (same case as the red case no. 7129-39/2548) are revealed. Therefore, the black cases no. 3851-61/2548 and the red case no. 7129-39/2548 have been finalised. As at 31 December 2010, the Company has not accrued provision reserve for the cases in the financial statements.

(11) *Land case*

Lieutenant Nakorn Sakornsathien filed a claim that the Company barred a public road and trespassed on his land which has prevented him from being able to make improvements to the land. The claim value amounted to approximately Baht 821 million. The Court ordered a temporarily suspension on the case in accordance with the Bankruptcy Act Section 90/12(4). Lieutenant Nakorn has made a request to the Rehabilitation Plan Office for repayment on the claim.

*Court ruling :*

On 19 January 2011, the Company and Lieutenant Nakorn informed the Custodian Officer that the Company had purchased the land in question from Lieutenant Nakorn and he had withdrawn the request for debt settlement. The Custodian Officer accepted. Also, Lieutenant Nakorn has successfully withdrawn the claim from the Rayong Provincial Court. At the same time, the Company has also withdrawn the same claim from the Thonburi Civil Court and the Court allowed the withdrawal. Currently, there has been no case between the Company and Lieutenant Nakorn pending at the Court.

## Notes to the consolidated and company financial statements

### IRPC Public Company Limited

For the years ended 31 December 2010 and 2009

#### 36 Significant claims and legal proceedings (continued)

As at 31 December 2010, the Company has significant cases for which the results have not yet been finalised as follows :  
(continued)

(12) *Claim for cancellation of Olefins sales agreement with Thai Olefins Public Company Limited (Presently, this company has been merged with National Petrochemical Public Company Limited and has become PTT Chemical Public Company Limited)*

In the case between the Company and Thai Olefins Public Company Limited (Thai Olefins), as the 364<sup>th</sup> creditor of the Company, which Thai Olefins has request the settlement for damages arising from the cancellation of the sale agreement by Baht 4,461.26 million plus interest rate at MOR plus 2% to the Custodian Officer. On 27 December 2004, the Central Bankruptcy Court sentenced that the 364<sup>th</sup> creditor was entitled to receive Baht 259.82 million from the Company plus interest rate at MOR plus 2% of the said principal since the date that the Plan Administrator (at that time was Effective Planner Company Limited) cancelled the agreement on 14 February 2001. The Company and the 364<sup>th</sup> creditor subsequently filed separate appeals for different reasons to the Supreme Court. The Company purported that the damages to Thai Olefins pertaining to this particular claim had previously been settled in another court case settlement. In addition, the Company asserted that the sales agreement cancellation resulted in no damages to the 364<sup>th</sup> creditor. Therefore, the Company has not provided any provisions in these financial statements.

*Court ruling :*

The case is currently under the consideration by the Supreme Court.

(13) *Arbitration in foreign countries*

The Company has been claimed for damages regarding the breach of ship rental contract with a foreign supplier. The case values totalling US Dollars 9.16 million (equivalent to Baht 277 million). Currently, the case is under the arbitration in England.

#### 37 Event occurring after balance sheet date

(1) As at 4 January 2011, staff exercised the warrants under the Employee Stock Option Plan (ESOP) for 95 million shares with the exercised price of Baht 2.88 per share, totalling Baht 273.97 million. However, the shares of 53 million shares were paid at the total amount of Baht 153 million and presented as the advance received from exercising warrants under current liabilities as at 31 December 2010. The Company registered the increase in total paid-up common shares from Baht 20,170 million (20,170 million shares at par value of Baht 1 per share) to Baht 20,265 million (20,265 million shares at par value of Baht 1 per share) with the Ministry of Commerce on 11 January 2011.

(2) At the Board of Directors of the Company's meeting on 15 February 2011, it approved a dividend payment for the operating results of 2010 at Baht 0.18 per share. The Company paid for an interim dividend during the year 2010 at Baht 0.08 million per share, totalling Baht 1,609 million, remaining Baht 0.10 per share. However, the approval for the dividend payment shall be proposed to the Annual Shareholders' Meeting for the year 2011 for the further consideration and approval.

## IRPC Information

<b>Company Name</b>	:	IRPC Public Company Limited
<b>Symbol</b>	:	IRPC
<b>Company Registration</b>	:	0107537002567
<b>Type of Business</b>	:	Petroleum and Petrochemical
<b>Industry</b>	:	Resources
<b>Sector</b>	:	Energy & Utilities
<b>Registered Capital</b>	:	Baht 20,475,000,000 including 20,475,000,000 common shares, Baht 1 per share (as of 25 January, 2011)
<b>Paid-up Capital</b>	:	Baht 20,264,943,200 including 20,264,943,200 common shares, Baht 1 per share (as of 25 January, 2011)
<b>Location</b>	:	<p><b>Headquarters and Plant</b>            299 Moo 5 Sukhumvit Road, Choengnoen, Rayong, Thailand 21000            Tel. (038) 611333 Fax. (038) 612813</p> <p><b>Bangkok Office</b>            555/2, Energy Complex, Building B, 6<sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900            Tel. (662) 649-7000 Fax. (662) 649-7001</p>
<b>Web Site</b>	:	www.irpc.co.th

## References

<b>Share Registrar</b>	:	<p>Thailand Securities Depository Company Limited            62 Stock Exchange of Thailand Building Ratchadapisek Road, Klong Toey, Bangkok, Thailand 10110            Tel. (662) 229-2800 Fax. (662) 359-1259</p>
<b>Auditor</b>	:	<p>Ms.Nangnoi Charoenthaveesub            CPA No.3044            PricewaterhouseCoopers ABAS Limited.            179/74-80 Bangkok City Tower 15<sup>th</sup> Floor South Sathorn Road, Thungmahamake, Sathorn, Bangkok, Thailand 10120            Tel. (662) 344-1000 Fax. (662) 286-5050</p>
<b>Baht Bond Registrar</b>	:	<p>TMB Bank Public Company Limited            3000 Phaholyothin Road, Chompon, Chatuchak, Bangkok, Thailand 10900            Tel. (662) 299-1111</p>





