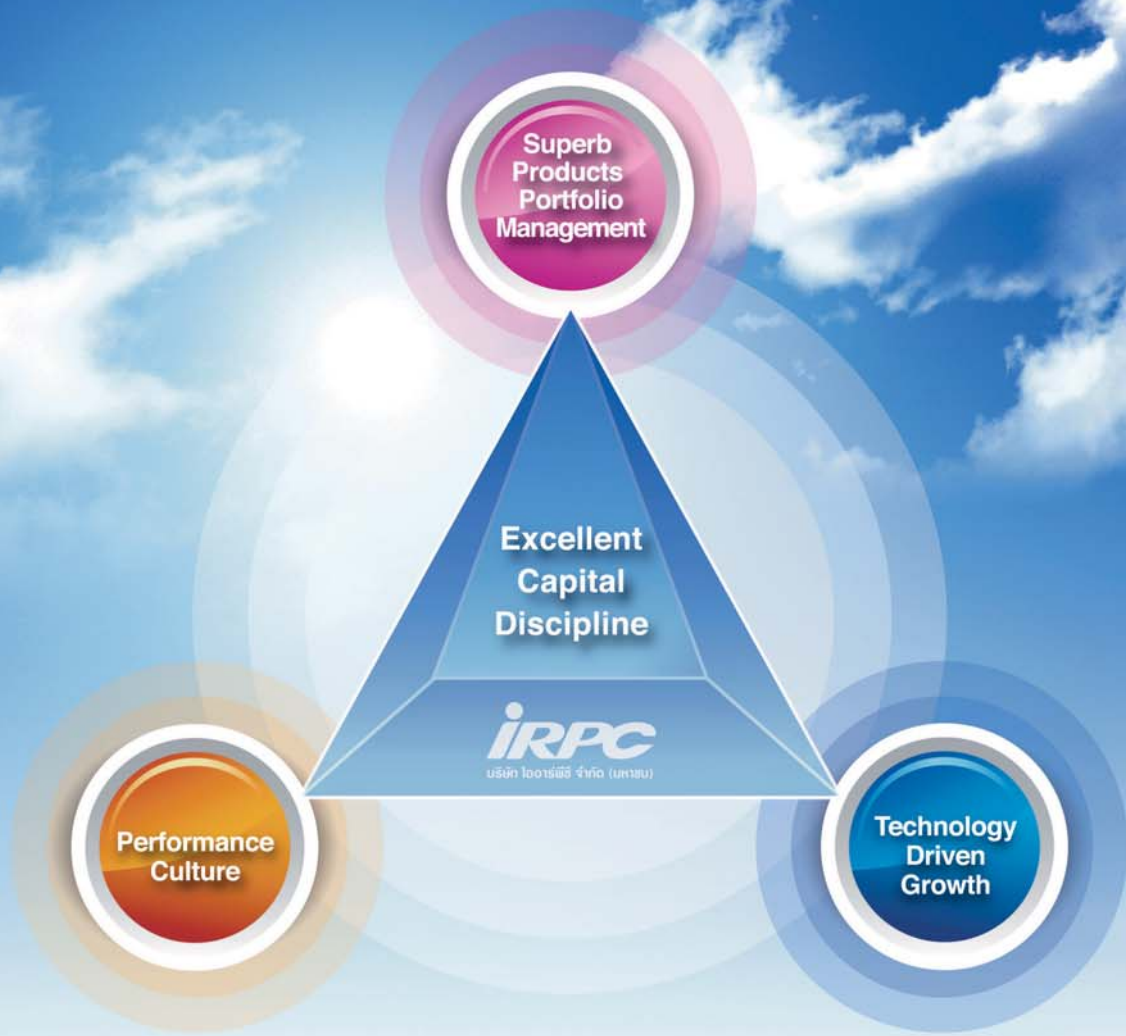




INTEGRATING OUR CAPABILITY
TO SUPPORT OUR STEADY GROWTH

Contents

	10	12	14	16	31
	Awards and Recognition	Financial Highlights	Message from the Chairman	Board of Directors	Organization Chart
32	38	42	43	51	55
Executives	Nature of Business	Business Structure and Shareholding	Performance Review	Risk Factors	Revenue Structure
57	60	63	72	76	84
Investment Projects	Human Resource Management	Corporate Social Responsibilities	Industry and Market Outlook	Management Discussion and Analysis (MD & A)	Corporate Governance Report
102	114	115	118	124	125
Management Structure	Shareholding Structure	IRPC Information	Connected Transactions	Report of the Audit Committee	Report of Board of Directors' Responsibility for Financial Reports
127	207				
Auditor's Report	Abbreviations and Technical Terms				



INTEGRATING OUR CAPABILITY TO SUPPORT OUR STEADY GROWTH

IRPC promptly integrates its powerful capabilities of well-disciplined investment, the state-of-the-art innovation and efficiency improvement on value creation to our products, to uplift our competitive capacity.

Today, we are ready to achieve the excellence in all dimensions and being a part of support for Thailand's presence in front row of the AEC' stage with great pride.

VISION

Top Quartile Integrated Petrochemical Complex in Asia by 2014

With diverse capabilities, IRPC is devoted to consistent and systematic organizational management, based on ambitious, visionary and clearly defined business goals and directions in order to be a leader in the integrated petrochemical business in Asia aiming for the betterment of brighter future.



Capability in being leadership
in Asia's petrochemical business



Capability in being high performance organization





Creativity is the heart of IRPC's business operation. Our expertise human resources in strong teamwork and the embedded culture of determination and ceaselessness build up IRPC a highly-developed organization.





Owing to the continuity and perseverance in research & development, along with advanced technology, IRPC is uniquely a knowledge-based organization and endlessly accelerates towards creative innovation for adding product value, increasing specialty product portfolio and improving competitiveness internationally.



TECHNOLOGY
RESEARCH & DEVELOPMENT
INNOVATION

Capability in advanced research and development for future technology



Capability in secure investment for continuing growth



Significant power of IRPC's business operation is the capability of prudent and well-disciplined investment, in line with business plan and operation strategy.





Awards and Recognition



The Crown Standard Award from the Thailand Greenhouse Gas Management Organization (Public Organization) for IRPC's CHP (Combined Heat and Power Plant) Project, in which natural gas displaces fuel oil as a fuel, contributing to 40% reduction of sulfur dioxide and 420,000 tons less emission of carbon dioxide per year.



Asia Business Leaders Awards 2011 in Asia Talent Management category from CNBC, a television station in Singapore, granted to Dr.Pailin Chuchottaworn for being executive with excellence in management.



A Plaque and Certificate presentation by the Ministry of Energy for IRPC's sale of EURO IV standard fuels ahead of the enforcement date. Such gasoline and gasohol sales have mitigated pollution in Rayong.



The Carbon Reduction Label Certificate from the Thailand Greenhouse Gas Management Organization (Public Organization) for the PS and EPS products of Thai ABS Co., Ltd. (an IRPC subsidiary). Their production processes are friendly to the climate, thanks to their reduction of greenhouse gases.

The Green System Industrial Certificate (Level Three) from the Ministry of Industry for IRPC's systematic environmental management and for being an industrial entity with social, community, and environmental responsibility.



Thailand QC Contest Award sponsored by Association of QC Headquarters of Thailand and the Department of Industrial Promotion, Ministry of Industry. IRPC's QC team was named among Thailand's outstanding QC groups and subsequent representation of Thailand at the International Symposium.



Platts 2011 Global Energy Awards from the Platts 2011 Global Energy Awards contest, sponsored by Platts (a leading provider of energy information). IRPC this year landed the Petrochemical and Blend Stock Innovation Award.



The Outstanding Scientific Organization Award for 2011 from the Professor Dr.Thab Neelanithi Foundation in recognition of IRPC's support to and promotion of scientific activities.



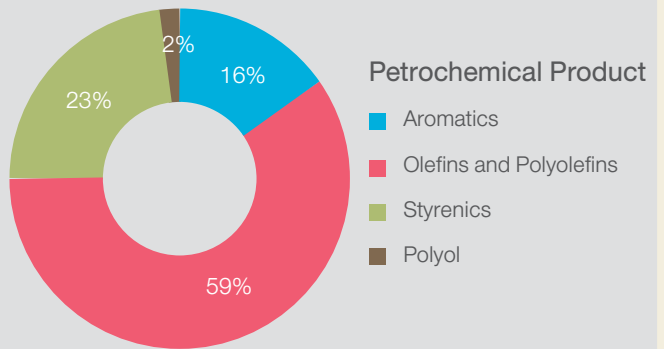
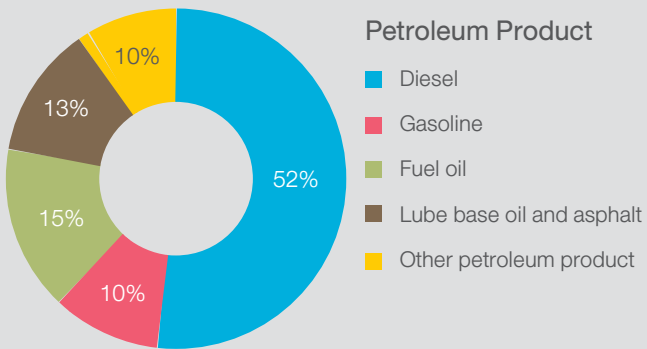
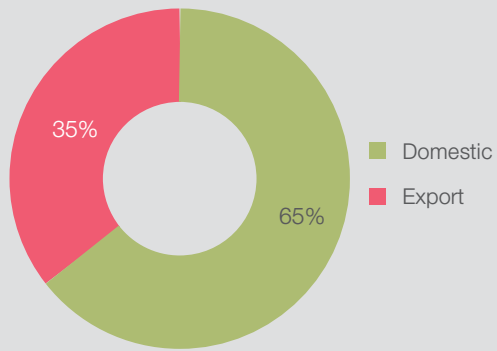
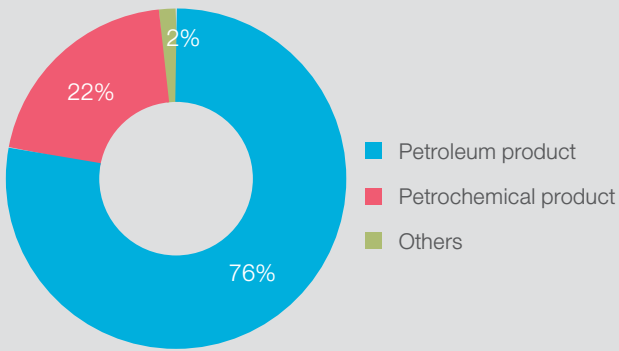
The Thailand Energy Awards 2011 from the Department of Alternative Energy Development and Efficiency, Ministry of Energy, for outstanding plant manager and administrator.



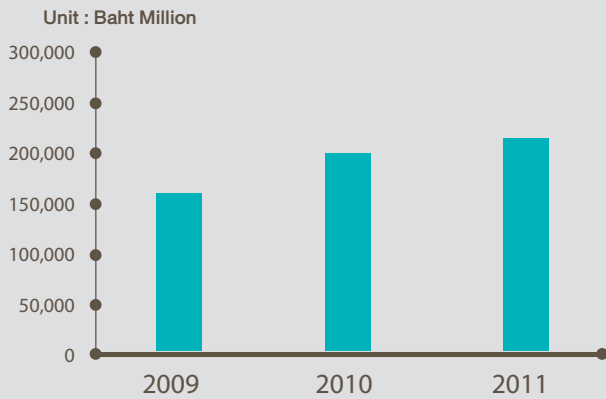
National Innovation Awards 2011 (Economics) from the Ministry of Science and Technology for IRPC's production of world-class, for innovative ABS products by leveraging natural rubber as a raw material instead of synthetic rubber, which contains 20-50% natural rubber, without production process adjustment. In addition, the company lowered its carbon dioxide emission.



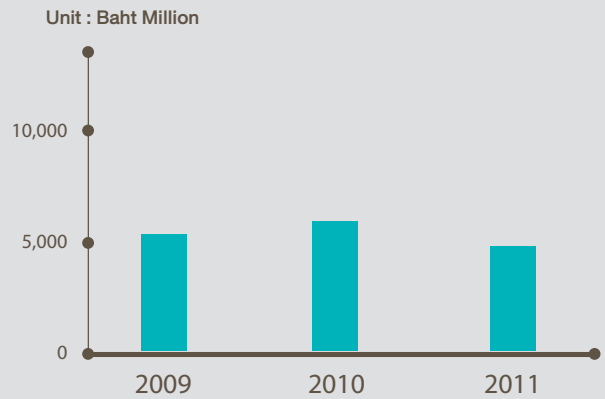
Sales 2011



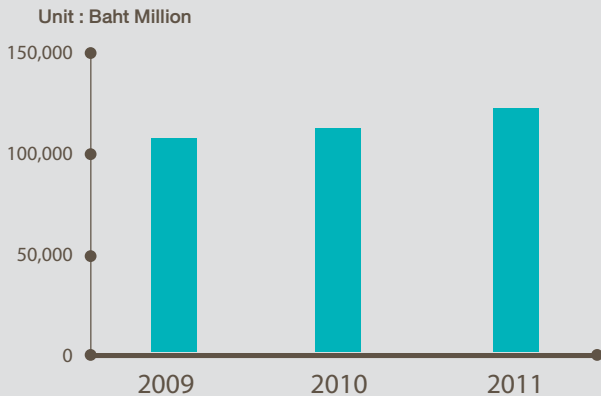
Sales



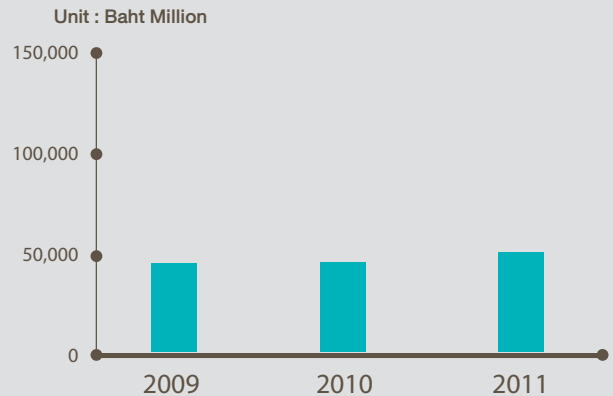
Net Profit



Total Assets



Total Liabilities



Financial Highlights

2009

⁽¹⁾ 2010

2011

	2009	⁽¹⁾ 2010	2011
Financial Position (Baht Million)			
Current Assets	48,155	49,307	55,447
Total Assets	114,194	120,458	132,176
Current Liabilities	19,712	18,104	27,642
Total Liabilities	42,294	45,744	56,246
Shareholder's Equity	71,901	74,714	75,931
Registered Capital	20,475	20,475	20,475
Paid-up Capital	19,829	20,170	20,434
Operating Performance (Baht Million)			
Sales	166,036	221,611	246,888
Cost of Goods Sold	156,021	212,319	235,491
Gross Margin	10,016	9,292	11,397
EBITDA ⁽²⁾	9,728	8,239	9,541
Net Profit	5,415	6,100	4,107
Financial Ratio			
Net Profit Margin (%)	3.26%	2.73%	1.67%
Return on Assets (%)	4.96%	5.20%	3.25%
Return on Equity (%)	7.68%	8.32%	5.45%
Dividend per share (baht)	0.18	0.18	⁽³⁾ 0.12
Net Debt to Equity Ratio ⁽⁴⁾ (time)	0.31	0.32	0.32
Book Value per share (baht)	3.62	3.70	3.71
Earning per share (baht)	0.27	0.30	0.20

Note :

(1) Financial Statement 2010 was restated.

(2) EBITDA means earnings before interest, taxes, depreciation and amortization.

(3) The Board of Directors of the Company's meeting on 13 February 2012, approved a dividend payment for the operating results of 2011 at Baht 0.12 per share. The Company paid for an interim dividend during the year 2011 at Baht 0.08 million per share, totalling Baht 1,609 million, remaining Baht 0.04 per share. However, the approval for the dividend payment shall be proposed to the Annual Shareholders' Meeting for the year 2012 for the further consideration and approval.

(4) Net Debt means interest bearing debt less cash and short-term investments.

Message from the Chairman



In 2011, IRPC Public Company Limited has demonstrated its strength and resiliency to be a leading organization in the forefront of the petrochemical business by staying on its feet amid all sorts of volatility, while striving for international excellence in management.

Operating results of 2011, the Company's net profit was Baht 4,107 million in comparison with Baht 6,100 million in 2010 mainly due to the decrease in refining capacity of 8% from planned major turnaround in Q4. Despite the decrease in refining capacity, there was improvement in margin from Gross Integrated Margin (GIM) of USD 1.2/BBL to reach USD 9.7/BBL from last year.

Over the past year, IRPC successfully launched a 220-megawatt gas-fired Combined Heat and Power Project (CHP) to displace 240,000 tons per year of fuel oil for the generation of steam and power, apart from lowering the costs of power and public utilities. In addition, this project will be able to reduce carbon dioxide emission by 400,000 tons per year. In the longer term, we plan to register emission reduction of carbon to the United Nations which can be sold to other companies. Consequently, it has earned us a "Crown Standard Award" from the Thailand Greenhouse Gas Management Organization. Furthermore, our strategic investment project, the "Phoenix Project," was progressed smoothly as planned, with some sub-projects completed and already generating income such as the Petrochemical Operational Efficiency Project, the Petroleum Operational Efficiency Project, and the Supply Chain Optimization Project. In the years 2012-2014 to come, most sub-projects will be implemented. New products are expected to be developed to yield higher values and greater revenue.

Apart from being poised to compete and challenge in the international arena, our stability today arises from a

policy of forging competitiveness, systematic management, developing sophisticated information technology, focusing on research and development, superb product innovation, and maximization of business value. This has earned IRPC a “*National Innovation Awards 2011 (Economics)*” for being the world’s first producer to conduct research and development involving a mixture of natural rubber-based petrochemical products as seen in our notable “Green ABS” production. Besides its business management, IRPC has laid a foundation for employee development and capacity building as well as encouraged innovative thinking in order to sustainably cultivate the knowledge-based culture in the organization.

Besides supplementing business value for maximum shareholders’ satisfaction, IRPC remains true to the sustainable growth philosophy while taking good care of the surroundings, society, and communities. We groom our people to perform their duties with ethics. Our continual community and social projects speak volumes for themselves, while our support to various activities is evident, including education, religion, sports, arts and culture, energy conservation, environmental conservation, and other public services.


Moving towards becoming “Top Quartile Integrated Petrochemical Complex in Asia by 2014”, IRPC, as a technology-driven organization, has deployed its state-of-the-art technologies as well as cultivated efficient working culture in order to deliver more of its superb products with higher returns such as green products to the world while aligning its investment portfolio and strategy with discipline and making the best use of our existing resources. In addition, to drive the Company to grow and advance significantly towards international recognition in the years to come, the Board of Directors considers it of great importance to help emphasize in IRPC’s operational excellence at all dimensions in terms of its business, social responsibility and virtue.

“

In 2011, IRPC Public Company Limited has demonstrated its strength and resiliency to be a leading organization in the forefront of the petrochemical business by staying on its feet amid all sorts of volatility, while striving for international excellence in management.

”

Our success over the past year has illustrated business execution in line with our clear vision, goals, policies, and strategies, complemented by commitment by the Board of Directors, executives, and all employees. On behalf of the Board of Directors, I therefore sincerely thank the shareholders, customers, financial institutions, business partners, government agencies, and all our patrons for your excellent support. Please be assured that IRPC will continue to be dedicated to efficiency, transparency, and firm commitment to good corporate governance together with social, community, and environmental responsibility while being equally committed to growing its capability so as to achieve security and sustainability.



(Mr. Prasert Bunsumpun)
Chairman

Board of Directors



Mr. Prasert Bunsumpun
Chairman /
Chairman of the Executive Committee



Mr. Cherdpong Siriwit
Independent Director /
Chairman of Audit Committee /
Chairman of Corporate Governance Committee



Mr. Chulayuth Hirunyavit
Independent Director /
Chairman of Nomination and Remuneration Committee



M.R.Pongsvas Svasti
Independent Director/ Audit Committee Director
(resigned effective on 16 Jan 2012)



Mr.Pailin Chuchottaworn
Director / Executive Director



Lt.Gen.Udomdej Sitabutr
Independent Director



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



Mr.Goanpot Asvinvichit
Independent Director
(resigned effective on 1 Jan 2012)



Mr. Watcharakiti Watcharothai
Director



Mr. Lersuk Chuladesa
Director



Miss Sopawadee Lertmanaschai
Director



Mrs. Rawittha Pongnuchit
Independent Director / Audit Committee Director



Mr. Wichai Pornkeratiwat
Director / Executive Director /
Nomination and Remuneration Director /
Corporate Governance Director



Mr.Sirisak Wittayaudom
Director



Mr.Kritsda Udyanin
Director



Mr.Narongkorn Chawalsantati
Independent Director



Lt.Gen.Preecha Wanarat
Independent Director
(appointed as a director substitute for
Mr.Goanpot Asvinvichit effective on 13 February 2012)



Mr.Atikom Terbsiri
Director /
Executive Director / President

Board of Directors

Mr. Prasert Bunsumpun

Chairman /

Chairman of the Executive Committee

60 years

Education

- Bachelor of Engineering (Civil), Chulalongkorn University
- Master of Business Administration (MBA), Utah State University, USA
- Honorary Doctor of Engineering, Chulalongkorn University
- Honorary Doctor of Management National Institute of Development Administration (NIDA)
- Honorary Doctor of Management Science, Petchaburi Rajabhat University
- Honorary Doctor of Business Administration, Mahasarakham University
- Diploma, National Defence College, The Joint State-Private Sector Course, Class 10
- Certificate in Advanced Management Program, Harvard Business School, USA
- Advanced Certificate Course in Politics and Governance in Democratic System for Executives, Class 6, King Prajadhipok's Institute
- Capital Market Academy Leadership Program, Capital Market Academy (CMA), Class 3/2006

Director Training

- Director Accreditation Program (DAP), Class 26/2004 Thai Institute of Directors (IOD)

Experience

- Apr 2011 - Present • Chairman / Chairman of the Executive Committee
IRPC Public Company Limited
- Apr 2009 - Present • Director
Thai ABS Company Limited
- Director
IRPC Polyol Company Limited

- Apr 2009 - Present • Director
IRPC Oil Company Limited
- 2011 - Present • Director
Krungthai Bank Public Company Limited
- Chairman
PTT Global Chemical Public Company Limited
- Chairman
Thailand Business Council for Sustainable Development
- 2005 - Present • Chairman
Thai Lube Base Public Company Limited
- Dec 2007 - Mar 2011 • Director PTT Aromatics and Refining Public Company Limited
- Dec 2005 - Mar 2011 • Director / Vice Chairman
PTT Chemical Public Company Limited
- Aug 2004 - Apr 2010 • Director
Thai Oil Public Company Limited
- Aug 2003 - Sep 2011 • Director / President and Chief Executive Officer
PTT Public Company Limited
- Aug 2000 - Oct 2011 • Director / Chairman
PTT Exploration and Production Public Company Limited

Mr.Cherdpong Siriwit

Independent Director /
Chairman of Audit Committee /
Chairman of Corporate Governance Committee

65 years

Education

- B.A. Economics, (Honor), Thammasat University
- M.A. Economics, Georgetown University, USA
- Diploma, National Defence College
The National Defence Course, Class 40
- Advanced Certificate Course in Politics and Governance
in Democratic System for Executives, Class 5,
King Prajadhipok's Institute
- The Civil Service Executive Development Program I,
Class 13/1993 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

- Apr 2009 - Present • Independent Director
- May 2009 - Present • Chairman of Audit Committee
- Nov 2011 - Present • Chairman of Corporate Governance
Committee
IRPC Public Company Limited
- 2011 - Present • Chairman
Vithai Biopower Company Limited

- 2010 - Present • Chairman
Solartron Public Company Limited
- 2009 - Present • Director / Audit Committee
Advance Finance Public Company Limited
- 2009 - Present • Director
Ever Green Plus Company Limited
- 2006 - 2009 • Independent Director /
Audit Committee /
Remuneration Director
PTT Chemical Public Company Limited
- 2005 - 2008 • Chairman
PTT Exploration and Production
Public Company Limited
- 2005 - 2007 • Chairman
Rayong Refinery Public Company Limited
- 2004 - 2008 • Chairman
Thai Oil Public Company Limited
- 2003 - 2007 • Chairman
Ratchaburi Electricity Generating
Holding Public Company Limited
- Chairman
PTT Public Company Limited
- 2002 - 2006 • Permanent Secretary
Ministry of Energy

Mr.Chulayuth Hirunyavasi

Independent Director /
Chairman of Nomination and Remuneration Committee

64 years

Education

- Bachelor of Law, Thammasat University
- M.A. (Public Administration), Kasetsart University

Director Training

- Director Certification Program (DCP), Class 111/2009
Thai Institute of Directors (IOD)

Experience

- | | |
|---------------------|---|
| Apr 2010 - Present | • Independent Director
IRPC Public Company Limited |
| May 2011 - Present | • Chairman of Nomination
and Remuneration Committee
IRPC Public Company Limited |
| Apr 2008 - Oct 2010 | • Independent Director /
Audit Committee Director /
Nominating Committee Director
PTT Public Company Limited |
| Present | • Director
Bank for Agriculture and
Agricultural Cooperatives |
| Feb 2009 - Jul 2011 | • Director
Metropolitan Waterworks Authority |
| 2006 - 2008 | • Permanent Secretary
Office of the Prime Minister |
| 2004 - 2006 | • Deputy Permanent Secretary
Office of the Prime Minister |

M.R.Pongsvas Svasti

Independent Director/ Audit Committee Director
(resigned effective on 16 Jan 2012)

54 years

Education

- B.S. (Computer Science), Southeast Missouri Stats 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

- | | |
|---------------------|---|
| Apr 2009 - Jan 2012 | • Independent Director /
Audit Committee Director
IRPC Public Company Limited |
| 2010 - Present | • Associate Professor of Industrial
and Operations Management
at the Faculty of Commerce
and Accountancy
Thammasat University |
| Present | • Advisor
Office of the Board of Investment |
| Mar 2010 - Jun 2011 | • Independent Director /
Audit Committee
PTT Exploration and Production
Public Company Limited |
| 2007 - 2010 | • Dean of the College of
Innovation (CITU)
Thammasat University |
| 2003 - Jan 2012 | • Independent Director /
Audit Committee
MFEC Public Company Limited |

Mr.Pailin Chuchottaworn

Director / Executive Director

55 years

Education

- Bachelor of Engineering in Chemical Engineering with 1st 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
- Diploma, The Joint State-Private Sector Course National Defence College, Class 22 (2009-2010)
- Capital Market Academy Leadership Program Capital Market Academy (CMA), Class 8
- Top Executive Program in Commerce and Trade (TEPCoT) Commerce Academy, Class 1
- PTT Executive Leadership Program 2008, GE Crotonville, USA
- NIDA Executive Leadership Program 2007, Wharton University of Pennsylvania, USA
- Industrial Liasion Program (ILP) 2005, Massachusetts Institute of Technology, USA

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

- Jan 2009 - Present • Director / Executive Director IRPC Public Company Limited
- Sep 2011 - Present • President & Chief Executive Officer PTT Public Company Limited
- Dec 2011 - Present • Director PTT Exploration and Production Public Company Limited
- 2011 - Present • Director Thai Listed Companies Association
- Director National Science and Technology Development Agency (NSTDA) Ministry of Science and Technology
- 2010 - Present • Chairman, Petroleum Refining Industrial Club The Federation of Thai Industries
- 2004 - Present • Director National Nano Technology Center, Ministry of Science and Technology

- 2001 - Present • Director The Petroleum and Petrochemical College, Chulalongkorn University
- 1996 - Present • Director National Metal and Materials Technology Center, Ministry of Science and Technology
- Jun - Sep 2011 • Chief Operating Officer, Upstream Petroleum and Gas Business Group PTT Public Company Limited
- Jan 2009 - Sep 2011 • President IRPC Public Company Limited
- 2009 - Sep 2011 • Director IRPC Oil Company Limited
- Director, IRPC Polyol Company Limited
- Director, Thai ABS Company Limited
- Director, IRPC A&L Company Limited
- 2008 • Senior Executive Vice President PTT Public Company Limited
- 2008 - May 2010 • Director PTT Maintenance and Engineering Company Limited
- 2008 - 2009 • Director, SPRC Company Limited
- Director, PTT Phenol Company Limited
- 2006 - Apr 2010 • Director Bangkok Polyethylene Public Company Limited
- Jul 2006 - Sep 2011 • Director PTT Asahi Chemical Company Limited
- Jul 2006 - Sep 2009 • President PTT Asahi Chemical Company Limited
- 2006 - 2009 • Director PTT Polymer Logistics Company Limited
- 2006 - 2009 • Director HMC Polymers Company Limited
- 2005 - 2008 • Senior Executive Vice President PTT Public Company Limited
- 2005 - 2011 • Director PTT Polymer Marketing Company Limited
- Sep 2005 - Jun 2009 • Manaing Director PTT Polymer Marketing Company Limited

Lt.Gen.Udomdej Sitabutr

Independent Director

56 years

Education

- Armed Forces Academy Preparatory School (AFAPS), Class 14/1973
- Bachelor of Science, Chulachomkiao Royal Military Academy (CRMA), Class 25/1978
- Command and General Staff College Course Command and General Staff College, Royal Thai Army, Class 65/1986
- Diploma, National Defence College, The National Defence Course, Class 51/2008

Experience

- | | |
|--------------------|--|
| Apr 2011 - Present | • Independent Director
IRPC Public Company Limited |
| Present | • Commanding General
1 st Army Area
1 st Army Area Head Quarters |
| 2009 | • Deputy Commanding General
1 st Army Area
1 st Army Area Head Quarters |
| 2008 | • Commanding General
9 st Infantry Division
9 st Infantry Division Head Quarters |
| 2007 | • Commanding General
11 st Militray Circle
11 st Militray Circle Head Quarters |

Mr.Woothisarn Tanchai

Independent Director /
Executive Director /
Nomination and Remuneration Director

54 years

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
- Public Director Certification Program, King Prajadhipok's Institute, Class1

Experience

- | | |
|--------------------|---|
| Apr 2009 - Present | • Independent Director /
Executive Director /
Nomination and Remuneration Director
IRPC Public Company Limited |
| Present | • Deputy Secretary
General of King Prajadhipok's Institute |
| | • Associate Professor at the Faculty
of Social Administration
Thammasat University |
| Others | • Member
Education Council |
| | • Member
Nakhon Ratchasima
Rajabhat University Council |
| | • Member
Office of the National Culture Commission |
| | • Advisor
National Decentralization Committee |

Mr.Goanpot Asvinvichit

Independent Director
(resigned effective on 1 Jan 2012)

56 years

Education

- BBA, Thammasart University
- MBA, University of Southern California, USA

Director Training

- Director Accreditation Program (DAP), Class 72/2008
- Director Certification Program (DCP), Class 134/2010
- Role of the Compensation Committee (RCC), Class 11/2010
Thai Institute of Directors (IOD)

Experience

- | | | | |
|---------------------|---|---|--|
| Apr 2011 - Dec 2011 | • Independent Director
IRPC Public Company Limited | | |
| 2007 - 2008 | • Director
IRPC Public Company Limited | | |
| 2010 - Present | • Independent Director
Thail Oil Public Company Limited | • Chairman of the Board
The Packaging & Printing Public
Company Limited | • Chairman of the Board
CIMB-Principal Asset Mangement
Company Limited |
| 2007 - 2009 | • Advisor Group on Inclusive
Financial Sectors
United Nations | | |
| 2004 - 2007 | • Chief Executive Officer
Government Savings Bank | | |

Mr.Watcharakiti Watcharothai

Director

51 years

Education

- Bachelor of Arts (Political Science), Kasetsart University
- Master of Public Administration (M.P.A.)
Roosevelt University, IL., USA
- Honorary Degree of Doctor of Philosophy,
Department of Administration, Ramkhamhaeng University
- Diploma, National Defence College
The State Private & Political Sector Course, Class 4/2006
- The Programme for Senior Executive on Justice,
Administration Batch 15, National Justice Academy
- Certificate of Public Director Institute (PDI),
Class 5/2010
- Capital Market Academy Leadership Program
Capital Market Academy (CMA), Class 9/2009

Director Training

- Director Certification Program (DCP), Class 121/2009
Thai Institute of Directors (IOD)

Experience

- | | | | | | | | | |
|--------------------|--|---|--|---|---|---|---|--|
| Apr 2011 - Present | • Director, IRPC Public Company Limited | | | | | | | |
| Present | • Independent Director
PTT Public Company Limited | • Director, Krisadamahanakorn
Public Company Limited | • Committee Member of The Red Cross Fair
The Thai Red Cross Society | • Member of the Board of Director
Rachavinit Muthayom School | • Chairman of Parents & Teachers
Association
Rachavinit Pathom School | • Member of the Board of Director
Suan Sunanda Rajabhat University | • Member of the Board of Director
Suan Dusit Rajabhat University | • Sub-Committee of Ratanakosin and
Ratanakosin Island's Improvement
of Committee of Religion Culture Morality
The Secretariat of the Senate |
| 2007 - Present | • Grand Charmerlain
Bureau of the Royal Household | | | | | | | |
| 2001 - 2007 | • Assistant to Lord Chamberlain
Bureau of the Royal Household | | | | | | | |

Mr.Lersuk Chuladesa

Director

57 years

Education

- Bachelor of Commerce, Faculty of Commerce and Accountancy, Chulalongkorn University
- Master of Public Administration, Project Management and Policy, National Institute of Development Administration (NIDA)
- Diploma, National Defence College, The Joint State-Private Sector Course, Class 17/2004
- Mini MBA II, Thammasat University
- Management Development Program for Middle Managers Standard Chartered, Singapore
- Financial Executive Development Program FINEX 4 The Thai Institute of Banking and Finance Association
- Capital Market Academy Leadership Program Capital Market Academy (CMA), Class 9

Director Training

- Director Accreditation Program (DAP), Class 63/2007 Thai Institute of Directors (IOD)

Experience

- | | |
|---------------------|--|
| Nov 2008 - Present | • Director
IRPC Public Company Limited |
| Apr 2009 - Present | • Director
MFC Asset Management
Public Company Limited |
| Oct 2008 - Present | • Advisor to the Board of Directors
Advance Agro Public Company Limited |
| Jul 2008 - Present | • Advisor to the Board of Directors
Siam City Insurance Company Limited |
| Present | • President & CEO
The Government Savings Bank |
| 2008 | • Chief Corporate Officer
Siam City Bank Public Company Limited |
| 2007 - 2008 | • Chief Corporated Client and
Operations Officer
Siam City Bank Public Company Limited |
| Feb 2006 - Oct 2008 | • Director / Executive Director
Advance Agro Public Company Limited |
| 2005 - 2007 | • First Senior Executive Vice President
Siam City Bank Public Company Limited |
| Jan 2002 - Jul 2008 | • Director / Chairman of the Executive
Committee
Siam City Insurance Company Limited |

Miss Sopawadee Lertmanaschai

Director

58 years

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
- Advanced Certificate Course in Politics and Governance in Democratic System for Executives, Class 14, King Prajadhipok's Institute
- Capital Market Academy Leadership Program Capital Market Academy (CMA), Class 2

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

- | | |
|---------------------|---|
| Feb 2010 - Present | • Director
Royal Porcelain Public Company Limited |
| Apr 2011 - Present | • Director, Thailand Futures Exchange
Public Company Limited (TFEX) |
| Feb 2010 - Present | • Director, Royal Porcelain
Public Company Limited |
| Mar 2010 - Present | • Director, Dhipaya Insurance
Public Company Limited |
| Present | • Secretary General
Federation of Accounting Professions
under The Royal Patronage of
His Majesty the King |
| | • Vice Chairman
Thai Financial Planners Association |
| | • Director, Pridi Institute |
| | • Secretary Sangvian Foundation |
| | • Chairman Thammasat University,
Commerce and Accountancy
Faculty Alumni |
| | • Director, Thammasat Association |
| | • Director, Thammasat University,
Commerce and Accountancy Faculty |
| Feb 2010 - Oct 2011 | • Director, Nokair Company Limited |

Mrs.Rawittha Pongnuchit

Independent Director /
Audit Committee Director

62 years

Education

- Bachelor of Law, Ramkhamhaeng University
- Master of Political Science, Thammasat University
- Diploma, National Defence College,
The Joint State-Private Sector Course, Class 15
- Advanced Certificate Course in Public Administration
and Law for Executives, Class 3, King Prajadhipok's Institute
- Capital Market Academy Leadership Program
Capital Market Academy (CMA), Class 3
- Top Executive Program in Commerce and Trade (TEPCoT)
Commerce Academy

Director Training

- Director Certification Program (DCP), Class 59/2005
Thai Institute of Directors (IOD)

Experience

- Nov 2011 - Present
- Independent Director /
Audit Committee Director
IRPC Public Company Limited
- 2011 - Present
- Director
SYNNEX (Thailand)
Public Company Limited
 - Advisor to Minister of Finance
Ministry of Finance
 - Legal Specialist
Thai Asset Management Corporation
- 2010 - Present
- Director
Solartron Public Company Limited
- 2007 - Present
- Director
KTBLAW Company Limited
- 2008 - 2010
- Inspector General Ministry of Finance
- 2005 - 2008
- Deputy Director-General
Revenue Department

Mr.Wichai Pornkeratiwat

Director / Executive Director /
Nomination and Remuneration Director /
Corporate Governance Director

59 years

Education

- Bachelor's in Engineering (Electrical Engineering),
Khon Kaen University
- Master's in Public Administration, National Institute
Development Administration (NIDA)

Director Training

- Director Certification Program (DCP), Class 111/2008
Thai Institute of Directors (IOD)

Experience

- Dec 2011 - Present
- Director / Executive Director /
Nomination and Remuneration Director /
Corporate Governance Director
IRPC Public Company Limited
- 2011 - Present
- Chief Operating Officer, Upstream
Petroleum and Gas Business Group
PTT Public Company Limited
 - Chairman
PTTLNG Company Limited
 - Chairman
PTT Green Energy Pte., Ltd.
- 2010 - Present
- Acting Managing Director
PTT FLNG Limited
- 2011
- Director, PTT Exploration and
Production Public Company Limited
- 2010 - 2011
- Senior Executive Vice President,
Gas Business Unit
PTT Public Company Limited
- 2009 - 2010
- Executive Vice President,
Natural Gas Vehicle
PTT Public Company Limited
- 2008 - 2009
- Acting Managing Director
PTTLNG Company Limited
- 2002 - 2008
- Executive Vice President,
Project Management, Exploration,
Production and Gas Business Group
PTT Public Company Limited

Mr.Sirisak Wittayaudom

Director

60 years

Education

- Bachelor of Engineering, Prince of Songkla University
- Bachelor of Laws, Sukhothai Thammathirat Open University
- Master of Public Administration, National Institute of Development Administration (NIDA)
- Advanced Certificate Course in Politics and Governance in Democratic System for Executives, Class 8, King Prajadhipok's Institute
- The Civil Service Executive Development Program I, Class 39/2003, The Civil Service Training Institute

Experience

- | | |
|--------------------|---|
| Dec 2011 - Present | <ul style="list-style-type: none">• Director
IRPC Public Company Limited• Director, PTT Green Energy (Thailand) Company Limited |
| Oct 2011 - Present | <ul style="list-style-type: none">• Deputy Permanent Secretary of Energy
Ministry of Energy• Chairman of the Committee of Statutes Controlled Fuel Oil 1999
Ministry of Energy |
| 2006 - 2010 | <ul style="list-style-type: none">• Deputy Director General of the Department of Energy
Department of Energy Business |
| 2005 - 2010 | <ul style="list-style-type: none">• Chairman of the Working Group on the Revision of Laws Regulations, Fuel Oil, Liquefied Petroleum Gas
Department of Energy Business |

Mr.Kritsda Udyanin

Director

52 years

Education

- B.A.(Economics), Chulalongkorn University
- M.A.(Economics), Thammasat University
- MSc.(Fiscal Studies) University of Bath, UK
- Diploma, The Joint State-Private Sector Course National Defence College, Class 51/2008
- The Civil Service Executive Development Program, Class 45/2005, The Civil Service Training Institute
- Capital Market Academy Leadership Program Capital Market Academy (CMA), Class 6
- Top Executive Program in Commerce and Trade (TEPCoT) Commerce Academy, Class 4

Experience

- | | |
|--------------------|---|
| Dec 2011 - Present | <ul style="list-style-type: none">• Director
IRPC Public Company Limited |
| Present | <ul style="list-style-type: none">• Director, TMB Bank
Public Company Limited• Independent Director, National Credit Bureau Company Limited |
| 2011 - Present | <ul style="list-style-type: none">• Inspector General
Ministry of Finance |
| Present | <ul style="list-style-type: none">• Director, Alumni Association,
Thammasat University• Director, Commerce Academy,
Top Executive Program in
Commerce and Trade (TEPCoT) |
| 2007 | <ul style="list-style-type: none">• Financial Policy Advisor
(Economist Advisory Level)
Fiscal Policy Office,
Ministry of Finance |

Mr.Narongkorn Chawalsantati

Independent Director

55 years

Education

- Bachelor of Laws, Ramkhamhaeng University
- Master of Arts Program in Leadership in Society, Business and Politics, Rangsit University
- Advanced Certificate Course in Politics and Governance in Democratic System for Executives, King Prajadhipok's Institute
- Diploma, Executive Program for Managers in Agriculture and Cooperatives Development

Experience

- Dec 2011 - Present • Independent Director
IRPC Public Company Limited
- 1981 - Present • Lawyer
- 2007 - 2011 • Member of Parliament
(Phetchabun Province)

Mr.Atikom Terbsiri

Director /
Executive Director / President

49 years

Education

- B.B.A., Assumption University
- M.B.A. (Finance & International Business), High Distinction, Armstrong University, USA
- Doctoral Course in Human Resources Management and Managerial Economics, Golden Gate University, USA
- Executive Education Program, Harvard Business School, Harvard University, USA

Director Training

- Director Certification Program (DCP), Class 125/2009 Thai Institute of Directors (IOD)

Experience

- 2011 - Present • Director / Executive Director / President
IRPC Public Company Limited
- Executive Vice President, Working as Senior Executive Vice President, Chief Operating Officer, Downstream Petroleum Business Group, PTT Public Company Limited
- Jul 2009 - Present • Director, Thai ABS Company Limited
- Director, IRPC Polyol Company Limited
- Director, IRPC Oil Company Limited
- Oct 2009 - Present • Director, IRPC A&L Company Limited
- Jan 2012 - Present • Director, Thailand Business Council for Sustainable Development
- 2011 - Present • Director
PTT Polymer Marketing Company Limited
- Nov 2011 - Present • Council of Trustees
Petroleum Institute of Thailand
- 2010 - Present • Vice Chairman, Petrochemical Industry Club
The Federation of Thai Industries
- Executive Committee
The Institute of Industrial Energy
- Jan 2010 - 2011 • Acting Senior Executive Vice President,
Port & Asset Management Business Unit
IRPC Public Company Limited
- Aug 2009 - Feb 2012 • Director
Rayong Acetylene Company Limited
- Jun 2009 - 2011 • Senior Executive Vice President
Corporate Strategy & Planning
IRPC Public Company Limited
- 2008 - 2009 • Director
PTT ICT Solutions Company Limited
- Dec 2007 - May 2009 • Executive Vice President
Corporate Strategy & Commercial
PTT Aromatics and Refining
Public Company Limited
- 2004 - 2009 • Director
PTT Phenol Company Limited
- 2002 - 2007 • Executive Vice President
Business & Finance
The Aromatics (Thailand)
Public Company Limited

Lt.Gen.Preecha Wanarat

Independent Director

(Appointed as a director substitute for Mr.Goanpot Asvinvichit effective on 13 February 2012)

64 years

Education

- Bachelor of Science (Army), Chulachomkiao Royal Military Academy
- Master of Arts Program in Defence Studies

Director Training

- Director Accreditation Program (DAP), Class 71/2008 Thai Institute of Directors (IOD)

Experience

- | | |
|--------------------|--|
| Feb 2012 - Present | • Independent Director
IRPC Public Company Limited |
| 2008 - Present | • Independent Director /
Chairman of the Board / Chairman
of Audit Committee
Halcyon technology
Public Company Limited |
| 2006 - Present | • Chairman Aiyapura Resort and Spa
World Residence Natural Beach
Resort Company Limited |

The company authorized directors

As per the company's affidavit registered with Department of Business Development on 17 February 2012 are as follows:

1. Mr.Pailin Chuchottaworn
2. Mr.Woothisarn Tanchai
3. Mr.Chulayuth Hirunyavasit
4. Mr.Watcharakiti Watcharothai
5. Lt.Gen.Udomdej Sitabutr
6. Mr.Atikom Terbsiri
7. Mr.Wichai Pornkeratiwat

Two of the above 7 directors can sign together with the company's seal affixed.

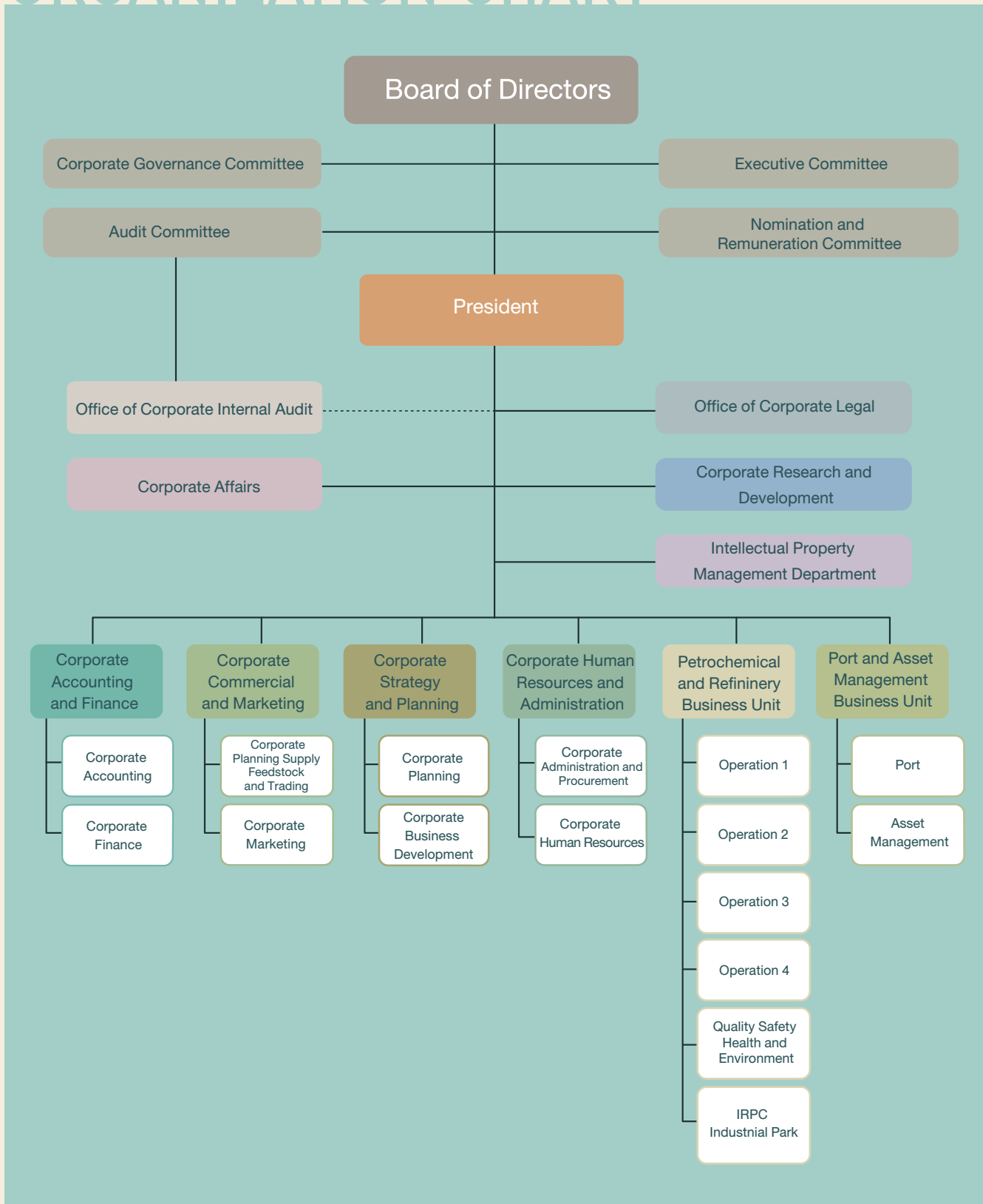
Additional Information

The Board of Directors on 31 December 2011 have 17 directors during 2011 the directors tendered their resignation as directorship of the company as follows:

1. Mr.Norkun Sittiphong
2. Mr.Somma Khawkachaporn
3. Mr.Chitrapongse Kwangsukstith
4. Mrs.Jantima Sirisaengtaksin
5. Mr.Satit Rungkasiri
6. Mr.Prajya Phinyawat
7. Mr.Surapit Kirtiputra

As January 2012, two directors retired from directorship are Mr.Goanpot Asvinvichit effectively January 1, 2012 and M.R.Pongsvas Svasti effectively January 16, 2012. The Board of Directors appointed Lt.Gen.Preecha Wanarat as a director substitute for Mr.Goanpot Asvinvichit effectively February 13, 2012.

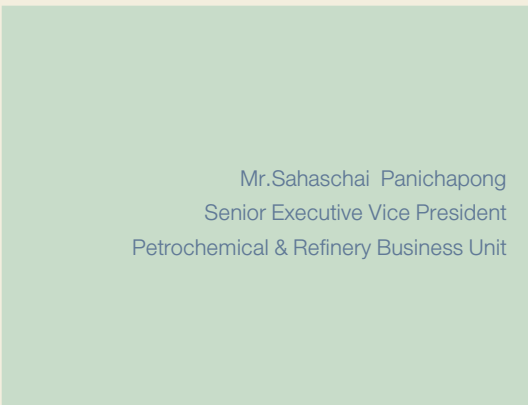
ORGANIZATION CHART



Executives



Mr. Atikom Terbsiri
Director / Executive Director / President



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



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



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



Miss Duangkamol Settanung
Senior Executive Vice President
Corporate Accounting & Finance



Mr.Chansin Treenuchagron
Senior Executive Vice President
Port & Asset Management Business Unit /
Acting Senior Executive Vice President
Corporate Strategy & Planning



Executives

Mr. Atikom Terbsiri

Director /
Executive Director / President

49 years

Education

- B.B.A., Assumption University
- M.B.A. (Finance & International Business), High Distinction, Armstrong University, USA
- Doctoral Course in Human Resources Management and Managerial Economics, Golden Gate University, USA
- Executive Education Program, Harvard Business School, Harvard University, USA

Director Training

- Director Certification Program (DCP), Class 125/2009 Thai Institute of Directors (IOD)

Experience

- 2011 - Present • Director / Executive Director / President
IRPC Public Company Limited
- Executive Vice President, Working as Senior Executive Vice President, Chief Operating Officer, Downstream Petroleum Business Group, PTT Public Company Limited
- Jul 2009 - Present • Director, Thai ABS Company Limited
• Director, IRPC Polyol Company Limited
• Director, IRPC Oil Company Limited
- Oct 2009 - Present • Director, IRPC A&L Company Limited
- Jan 2012 - Present • Director, Thailand Business Council for Sustainable Development
- 2011 - Present • Director
PTT Polymer Marketing Company Limited
- Nov 2011 - Present • Council of Trustees
Petroleum Institute of Thailand
- 2010 - Present • Vice Chairman, Petrochemical Industry Club
The Federation of Thai Industries
• Executive Committee
The Institute of Industrial Energy
- Jan 2010 - 2011 • Acting Senior Executive Vice President,
Port & Asset Management Business Unit
IRPC Public Company Limited
- Aug 2009 - Feb 2012 • Director
Rayong Acetylene Company Limited
- Jun 2009 - 2011 • Senior Executive Vice President
Corporate Strategy & Planning
IRPC Public Company Limited
- 2008 - 2009 • Director
PTT ICT Solutions Company Limited
- Dec 2007 - May 2009 • Executive Vice President
Corporate Strategy & Commercial
PTT Aromatics and Refining
Public Company Limited
- 2004 - 2009 • Director
PTT Phenol Company Limited
- 2002 - 2007 • Executive Vice President
Business & Finance
The Aromatics (Thailand)
Public Company Limited

Mr. Sahaschai Panichapong

Senior Executive Vice President
Petrochemical & Refinery Business Unit

64 years

Education

- B.Eng. (Mechanical), Chulalongkorn University
- M.Eng. (Mechanical), Lamar University, Beaumont, Texas, USA

Director Training

- Director Accreditation Program (DAP), Class 56/2006
- Finance for Non-Finance Directors (FND), Class 14/2004 Thai Institute of Directors (IOD)

Experience

- Jan 2010 - Present • Senior Executive Vice President
Petrochemical & Refinery Business Unit
IRPC Public Company Limited
- Sep 2011 - Oct 2011 • Acting President
IRPC Public Company Limited
- Mar 2009 - Jan 2010 • Senior Executive Vice President Operation
IRPC Public Company Limited
- 2006 - 2008 • Senior Executive Vice President
PTT Chemical Public Company Limited

Mr.Nuntachai Prapawatwech

Senior Executive Vice President
Corporate Commercial & Marketing

60 years

Education

- Bachelor Degree of Engineering, Kasetsart University
- Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute
- Advanced Certificate Course in Public Administration and Law for Executives, King Prajadhipok's Institute
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Advanced Security Management Program
The National Defence College Association of Thailand, Class 2

Director Training

- Director Certification Program (DCP), Class 125/2009
Thai Institute of Directors (IOD)

Experience

- Jul 2009 - Present • Senior Executive Vice President
Corporate Commercial & Marketing
IRPC Public Company Limited
- 2009 - Present • Director
PTT Polymer Marketing Company Limited
- 2008 - Jun 2009 • Executive Vice President
Terminal Operation
PTT Public Company Limited
- 2006 - 2008 • Executive Vice President
Supply & Logistics
PTT Public Company Limited

Mr.Manit Suthaporn

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

58 years

Education

- LL.M. Chulalongkorn University

Director Training

- Director Certification Program (DCP), Class 134/2010
Thai Institute of Directors (IOD)

Experience

- Jun 2009 - Present • Acting Senior Executive Vice President
Corporate Human Resources & Administration
IRPC Public Company Limited
- Mar 2008 - Present • Advisor, Officiate as
Senior Executive Vice President
Corporate Legal
IRPC Public Company Limited

Mr. Chansin Treenuchagron

Senior Executive Vice President
Port & Asset Management Business Unit /
Acting Senior Executive Vice President
Corporate Strategy & Planning

52 years

Education

- Bachelor Degree of Economic, Thammasat University
- Master Degree of Economic, Chulalongkorn University
- Air War College, Class 35/2006
- Senior Executive Program (SEP-20), Class 20
Sasin Graduate Institute of Business Administration
of Chulalongkorn University
- Executive Development Relation, Class 1
Directorate of Civil Affairs
- PTT Executive Leadership, General Electric, GE,
New York, USA
- Advance Senior Executive Program (ASEP-5), Class 5
KELLOGG & SASIN, Chicago, USA
- Advanced Certificate Course in Public Economics
Management for Executives, Class 10,
King Prajadhipok's Institute

Director Training

- Director Certification Program (DCP), Class 85/2007
- Director Accreditation Program (DAP), Class 93/2011
- Financial Statements for Directors (FSD), Class 12/2011
Thai Institute of Directors (IOD)

Experience

- Oct 2011 - Present
- Senior Executive Vice President
Port & Asset Management
Business Unit / Acting Senior
Executive Vice President
Corporate Strategy & Planning
IRPC Public Company Limited

- Nov 2010 - Present
- Managing Director
Thai ABS Company Limited
 - Managing Director
IRPC Oil Company Limited
- Feb 2012 - Present
- Director
Rayong Acetylene Company Limited
- Jun 2009 - Oct 2011
- Executive Vice President
Corporate Planning
IRPC Public Company Limited
- 2009
- Executive Vice President
PTT Public Company Limited
- 2008 - 2009
- Director /
Acting Managing Director
PTT Green Energy Pte., Ltd.
- 2007 - 2008
- Vice President Retail Business
PTT Public Company Limited
- 2005 - 2007
- Director,
Subic Bay Energy Company Limited
- 2004 - 2007
- Director, FST Company Limited
- 2002 - 2007
- Vice President
Aviation & Marine Marketing
PTT Public Company Limited

Miss Duangkamol Settanung

Senior Executive Vice President
Corporate Accounting & Finance

52 years

Education

- Bachelor of Science in Statistics with 1st Class Honors
Kasetsart University
- Master of Business Administration, Thammasat University

Experience

- Nov 2011 - Present
- Senior Executive Vice President
Corporate Accounting & Finance
IRPC Public Company Limited
 - Director
IRPC Oil Company Limited
 - Director
Thai ABS Company Limited
 - Director
IRPC Polyol Company Limited
- Dec 2011 - Present
- Director
IRPC A&L Company Limited
- 2011
- Executive Vice President,
Finance & Accounting
PTT Aromatics and Refining
Public Company Limited
- 2010
- Senior Vice President,
Finance & Accounting
PTT Aromatics and Refining
Public Company Limited
- Apr 2009 - Nov 2011
- Director
PTT ICT Solutions Company
Limited
- 2008 - 2010
- Vice President,
Corporate Strategy
PTT Aromatics and Refining
Public Company Limited
- 2001 - 2007
- Vice President,
Finance & Accounting
The Aromatics (Thailand)
Public Company Limited

Miss Oravan Leelarasamee

Executive Vice President
Corporate Accounting

56 years

Education

- Bachelor of Accountance, Chulalongkorn University
- Master of Commerce, Chulalongkorn University

Experience

- Jan 2009 - Present
- Executive Vice President
Corporate Accounting
IRPC Public Company Limited
- 2003 - 2008
- Vice President Accounting
PTT Public Company Limited

Mrs.Patnan Tejakumput

Acting Executive Vice President
Corporate Finance

58 years

Education

- Bachelor of Accountancy, Chulalongkorn University
- Master of Science, Management Information System,
California State University, Los Angeles, USA

Director Training

- TLCA Executive Development Program (EDP), Class 5
Thai Listed Companies Association

Experience

- Nov 2011 - Present
- Acting Executive Vice President
Corporate Finance
IRPC Public Company Limited
- Jan 2009 - Oct 2011
- Vice President,
Budget Department
IRPC Public Company Limited
- Sep 2007 - Dec 2009
- Vice President,
Corporate Accounting & Finance
IRPC Public Company Limited

Nature of Business



IRPC is a pioneer in integrated petrochemical industry in the Southeast Asia. Its refinery and petrochemical complexes are located on its own industrial estate in Rayong province. The estate provides necessary infrastructures and utilities used to support the production including a deep-sea port, oil storage tanks and a power plant. The product lines of IRPC can be categorized as below.

1. Petroleum Business The company's oil refinery unit has the total capacity of 215,000 barrels per day, which comprise the ADU1 with its refining capacity of 65,000 barrels per day and the ADU2 with its refining capacity of 150,000 barrels per day. The refinery, the third largest in the country, produces a various kinds of petroleum products including Naphtha, Gasoline, Diesel and LPG. The lube base plant, which can be categorized as the first in the country in terms of capacity, has total production capacity of 320,000 tons per year, also the asphalt plant has total production capacity of 380,000 tons per year.

In addition, the Company developed the lube base oil innovative products called Treated Distillate Aromatic Extract (TDAE) and Residue Aromatic Extract (RAE), which are the formulated rubber process oil with non-carcinogenic substances (Polycyclic Aromatic Hydrocarbon (PAHs)) used to manufacture car tires.

2. Petrochemical Business The Company invests in upstream petrochemical products such as Olefins and Aromatics with their capacities of 728,000 and 367,000 tons per year respectively, which will be further used as raw materials for downstream petrochemical plant. The olefins products such as HDPE and PP with its producing capacity of 615,000 tons per year and the Aromatics products such as ABS, SAN, EPS, and PS with its capacity of 247,000 tons per year will be sold to plastic industries.



The Company also invented the innovative styrenic products such as Green ABS, ABS Powder, Impact modifier-MBS, Anti-Dripping Additive and Anti-Bacteria, and the innovative polyolefins products such

as UHMW-PE, Polyolefin Catalyst, Baby Bottle Polypropylene and Antimicrobial Compound.

3. Port Business The Company'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, weigh scales, container yards, warehouses, and machines and equipment for transshipment of goods. The main port area comprises of the followings;



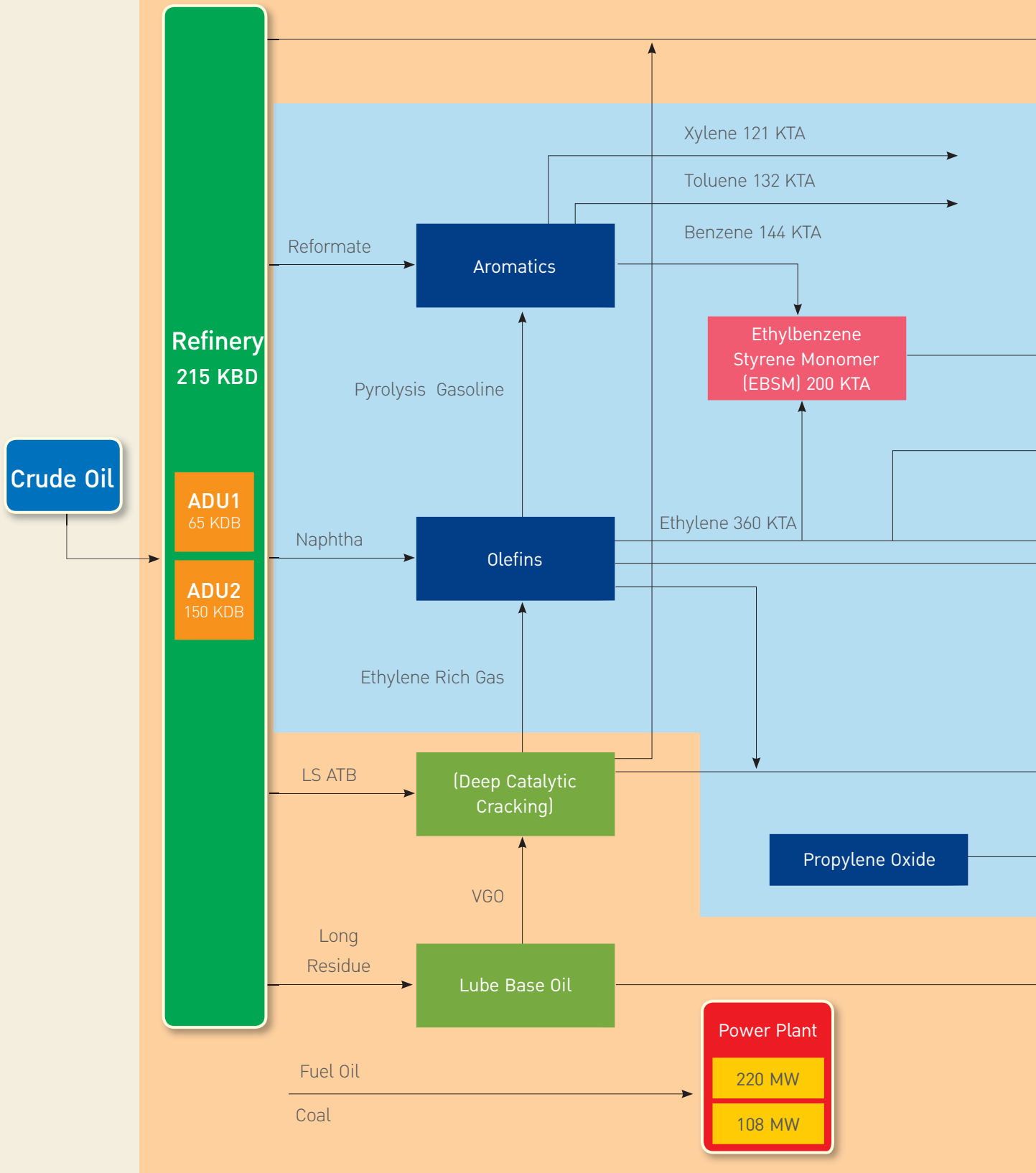
3.1) Liquid & Chemical Terminal: This terminal offers services for petrochemicals, liquid petroleum, and gas. The port is 1,623 metres long, and is divided into 8 sub-wharfs. With a channel depth of 6-19 metres, it can handle vessels of 1,000-250,000 DWT. (deadweight tonnage)

3.2) 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 800-150,000 DWT. (deadweight tonnage)

4. Asset Management Business IRPC Asset Management Business provides asset management services, based on empty plots of land in the province of Rayong and other provinces. With a total area of about 10,000 rai, these plots are to be developed into the industrial estate or industrially zoned lands that could support the main operations of the Company. This asset management business focuses its operations on being friendly to the communities and environment.



Integrated Refinery and Petrochemical Complex Flow Chart



Finished Products

Uses

Transportation Fuel

Gasoline Diesel Fuel Oil LPG Gasohol

Butadiene 56 KTA

- THAI ABS Co.,Ltd
PS 100 KTA
- THAI ABS Co.,Ltd
EPS 30 KTA
- THAI ABS Co.,Ltd
ABS 117 KTA

Tape, CD cases, Electrical Appliances

Rigid Foam Insulation, Protection

Plastic Toys, Electrical Appliances, Automobile Parts, Kitchen Utensils

HDPE 140 KTA

Consumer Packaging, Drink Bottles, Pipes, Ropes, Fishing Nets

Acetylene 6 KTA
Acetylene Black 4 KTA

Dry Cell Battery, Rubber Compound

Propylene 312 KTA
PP 475 KTA

Consumer Packaging, Drink Bottles

IRPC Polyol Co.,Ltd.
Polyol 25 KTA

Aexible foams, adhesive elastomers and footwear appication

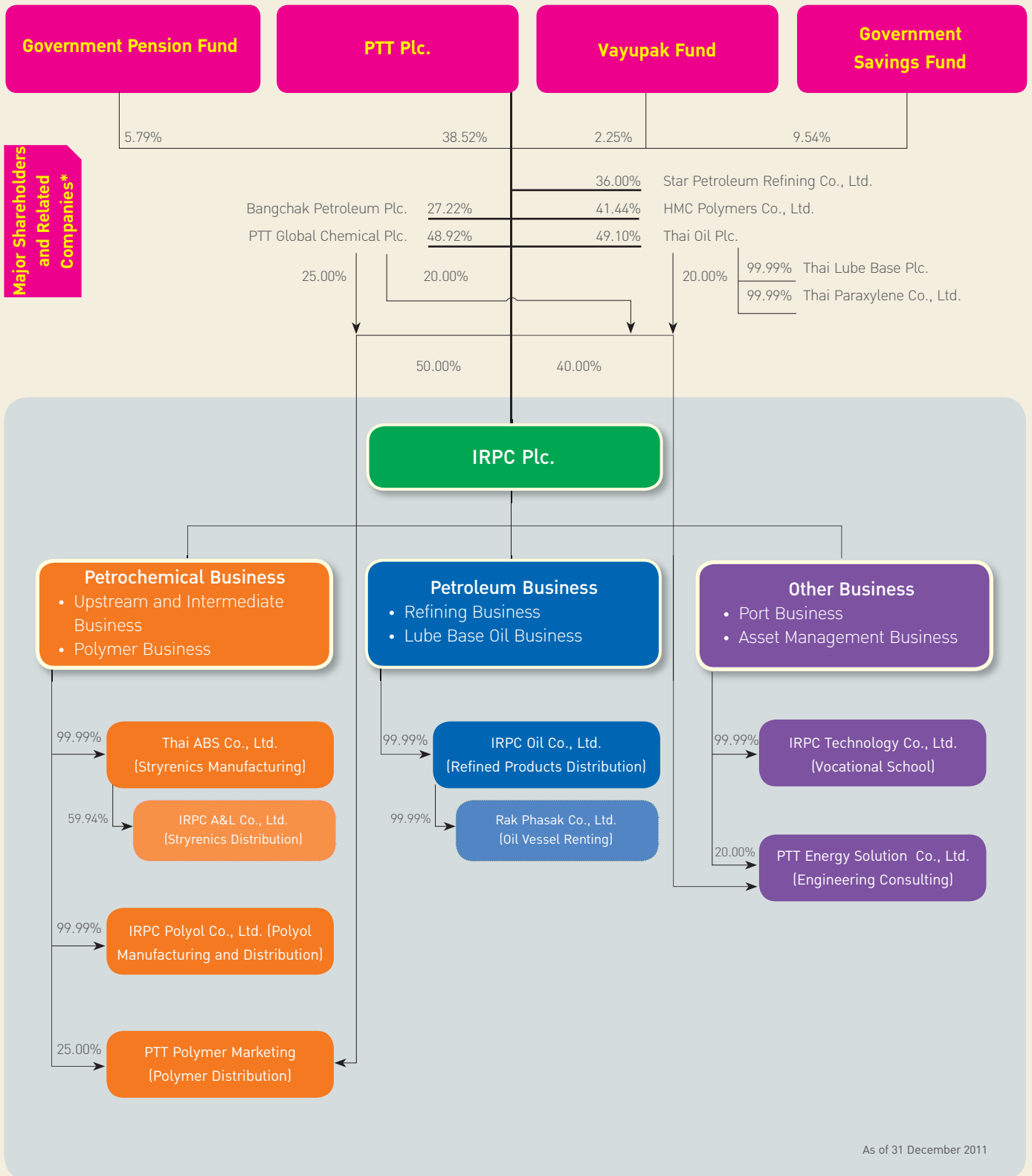
Lube Base Oil 320 KTA

Lubricant

Asphalt 380 KTA

Construction Materials for Road

Business Structure and Shareholding



Remark : * Related Company that operates business similar to or related to the Company.
 - This above chart includes only the on-going subsidiaries and associates.

IRPC is determined to pursue its business by integrating economic, social and environment factors to create equitable and sustainable growth. Its operating performance this year can be summarized as follows:

1. Economic Performance

In line with the visionary target to become “The Top Quartile Integrated Petrochemical Complex in Asia by 2014”, IRPC’s economic performance updates this year are:

1.1 Production Performance

The year’s total crude run was 58.25 million barrels, equivalent to a refining capacity of 160 KBD or 74% of the total capacity. By segment of the refined products, the refining capacity for refinery, lube base oil, poly-olefins, styrenics stood at 74%, 80%, 85% and 74% respectively. To maximize efficiency and effectiveness in its operations, IRPC, a member of PTT Group, focused on ‘Zero Unplanned Shutdown’ and strives for the ‘Operation Excellence’. The implementation of effective environmental management systems, the consistent community relations program minimizing impacts on the community, and the highly disciplined safety management targeted for zero severe accidents were examples of the projects launched this year. The successes translated into a more efficient production operation without disruption and operating cost reduction, including the following projects:

- Successfully installed power loop line to increase power supply reliability especially during the external power blackout.
- Installation of the Power Management System (PMS) to centralize the total power supply system management for maximum reliability and stability. The system will be completely operated in February 2012.
- Introduced the Warehouse Management System (WMS) to augment the efficiency of the inventory management and using of barcode tracking product delivery. The system will be fully operated in May 2012.
- Introduced the Advanced Process Control (APC) to manage the production processes of the refinery and the lube base oil plants. This significantly levered both the precision and efficiency of energy consumption.

- Conducted the planned maintenance shutdown from October 31 to December 18, 2011. Details included maintenance and repairs of all major machinery, regulatory inspection, replacement of catalysts, and internal cleaning of certain machinery such as heat exchangers. The planned maintenance provided higher efficiency and consistency of the entire production system.

1.2 Business Performance

The Company’s total operating income this year was Baht 236,519 million, an increase of 19% or Baht 37,101 million from 2010. The main income, 76% of the total, was from sale of petroleum products, mainly diesel and lube base oil. The ratio of domestic and international income was 65:35. The major development of each business unit in 2011 was as follows:

1.2.1 Petroleum Business

- Pursued sales strategy with focuses on product quality as per legal standards set by the Ministry of Commerce, prohibiting quality giveaway, and selection of the most profitable distribution channels. Price positioning was reset to match the market situation and more cooperation with subsidiaries was supported to develop an optimum sale strategy.
- Participated in the campaign to launch the sale of EURO IV standard gasoline and gasohol in Rayong before the enforcement date. The campaign was kicked off on April 1, 2011 at the IRPC Rayong gas station and the Rayong Oil Depot, to promote the pollution reduction in Rayong.
- Inaugurated the Mae Klong Oil Depot in Samut Songkhram on August 8, 2011 to enhance oil distribution channels, hence increasing sales in the West and upper South region. Moreover, this depot was used as an alternative oil distribution channel during flood crisis this year. The total sales volume from this new depot was 56.967 million liters.

1.2.2 Petrochemical Business

- Successfully increased the production of chemical specialties from 21.93% of the total petrochemical sales in 2010 to 30.69% this year. These specialties products included Green ABS, Ultra-high Molecular Weight Polyethylene, Super Clarity



Polypropylene for Baby Bottles and Wood Plastic Composite

- Introduced “POLIMAXX”, a new trademark for all high-quality petrochemical plastic products of IRPC. This brand upgrade promotion shows a commitment to customers’ ultimate satisfaction and environmental friendliness.

- Entered a Memorandum of Trade Cooperation and Environmentally Friendly Product Development with Hatari Electric Company Limited to use new material Green ABS pellet, a new plastic polymer that replaced butadiene with material rubber for electric fan manufacturing. This new material has similar characteristics as ABS plastic pellet from petrochemicals, and is resistant to forceful stress but very elastic, that is, 4-8% higher elasticity than the petrochemical ABS. Production of electric fans with this new material offers an alternative choice for consumers who are more conscious of environmental protection and natural products. These products are also export to certain markets i.e. European and Latin American markets, where green regulations are strictly enforced.

- Participated in the CHINAPLAS 2011 Exhibition during May 17-20, 2011 at Guangzhou, China. IRPC took the stage to introduce plastic and petrochemical products to leading Asian businessmen to expand the export market base and its product reputation. Participation was in conjunction with other members of PTT Group including PTT Chemical (PTTCH), PTT Polymer Marketing (PTTPM), PTT

Polymer Logistics (PTTPL), HMC Polymers (HMC), and PTT Lubricants (PTT LUBE).

1.2.3 IRPC Port

- Increased the Bulk & Container Terminal (BCT) port occupancy rate from 17% in 2010 to 22% this year and maintained the Liquid & Terminal Container (LCT) port occupancy rate at 58%, same as the 2010 level.

- Increased the handling and revenues from port activities for other Ex-IRPC products and materials from Baht 456 million in 2010 by 4% to Baht 475 million this year. Revenues by sector included Baht 74 million from BCT, Baht 199 million from LCT, and Baht 202 million from tank farm service, against Baht 56 million, Baht 204 million and Baht 196 million respectively in 2010.

- Increased revenues in 2011 from BCT by 32% from 2010, mainly from the jump in steel demand. New customers from the steel industry translated into a jump in BCT volume to 35,000 metric tons per month. The yard storage and warehouse storage services were also increased, and so was the revenue. The BCT annual cargo volume went up by 25% from 2010 to 1.7 million tons this year.

- Increased the 2011 revenue from tank farm storage by 3% from 2010 through business development efforts, strategic moves to retain and increase tank farm storage volume by existing customers and continuously seeking new customers.



- Introduced the IRPC Intelligent Port Service (iPort), an electronic port service system via online Internet, smart phone and PDA. The iPort provides absolute convenience, speedy, flexible and efficient services and more channels for service payment to customers. It also reduces manpower and paperwork in the process.

- Organized the 29th Thai Chamber of Commerce seminar at the IRPC port site, Rayong, on December 9, 2011, when the HTMS Chakri Naruebet was mooring at the IRPC Port as part of the emergency drill to use the IRPC Port as a strategic reserve port in



case of emergency and natural disasters. The IRPC Port has been selected because of its capacity to handle the mooring of very large vessels as the deepest sea port in Thailand, with handling capability of both liquid and chemical cargoes with Asian regional import-export standard.

1.2.4 IRPC Asset Management Business

- Appropriated the IP4 property including management of the public property, purchasing and ownership transfer, acquisition of additional property within IP4 for the Company's projects' benefit.

- Commenced IP4 land reclaiming for future projects including UHV Project, CHP2, Nano Project, Amino Acid manufacturing and emulsion manufacturing companies.

- Disposed non-core properties with a total income of Baht 30 million.

- Co-developed the Ban Khai land area with the Industrial Estate Authority of Thailand (IEAT)

to become a Green Industrial Estate focusing on environmentally friendly industries. The EIA report was already completed and is being reviewed by the Office of the Natural Resources and Environmental Policy and Planning (ONEP) and relevant authorities.

- Initiated a flyover construction study at the Highway 3 and Highway 36 intersection (Rayong Bypass) connecting the IP4 asset property and the IRPC port. The study is intended to provide traffic convenience and safety, minimize traffic congestion to all commuters including IRPC employees and people of Rayong Province. The road will also add value to the IP4 property in the future. The project is progressing at the procurement stage of the detailed design engineering, and expected to be completed in the third quarter of 2014.

1.3 Investment Projects and Business Growth

1.3.1 Phoenix Projects

IRPC is focused on driving the Phoenix Project to achieve its goals smoothly. The project will improve work processes and upgrade machinery and equipment to render more competitive products. This will help the company realize its vision of becoming a leader in the Asian petrochemical business by 2014. The project has been in progress for 2 years and 4 months in 20 sub-projects and four supporting projects with a total investment of USD 1,342 million

As of December 2011, the Phoenix Project was 16% completed with nine projects already on production and began to generate the revenues as expected.



1.3.2 Combined Heat and Power Project (CHP)

The combined heat and power project has been fully completed and officially commencing since August 19, 2011 with an electricity generation capacity of 220 megawatts and 420 tons per hour of steam. As a result, the company can substitute fuel oil for steam turbines with cleaner natural gas, reduces 400,000 tons per year carbon dioxide emission and secures its power system.

1.3.3 Propylene Expansion Project

The project is to add propylene production capacity by 100,000 tons per year using Metathesis technology in replacement of propylene feedstock imports. The Environmental Impact Assessment (EIA) for this project was approved by ONEP on 15 September 2011. Presently, construction is in progress and expected to be completed for commercial operation by mid-2012.

1.3.4 ABS6 Expansion Project

Thai ABS, a wholly owned subsidiary of IRPC, is Thailand's largest ABS plastic resin manufacturer with a capacity of 120,000 tons per year. It embarked on a project for an additional production capacity of 60,000 tons per year for special-grade ABS resins. The Environmental Impact Assessment (EIA) for this project was approved by ONEP on 17 October 2011. Engineering design is on-going. Construction completion and production operation are expected in early 2013.

1.4 Financial Operations.

To support sustainable growth, IRPC managed its funding efficiently to ensure sufficient liquidity for supporting continuous investment along with balancing its finance costs. IRPC has pursued the following:

- Acquired a long-term syndicated loan from local financial institutions totaling Baht 3,700 million for capital investment and operating expenses. The loan provides flexible drawdown period to the end of 2012, which coincides with IRPC's investment plan and automatically extends the repayment period.

- Acquired a working capital loan from a local financial institution totaling Baht 4,500 million, some of which was a alteration from the uncommitted line to the committed line, resulting in a higher proportion of the Company's committed loan yielding a longer loan term,

more financial flexibility and more secured liquidity.

- Developed financial innovations on export insurance, the IRPC Global Export Insured, aimed to reduce financial risks with insurance coverage, providing the opportunity for new petrochemical customers and competitive edge for Thai businesses in the global market.



- Joined and worked closely with PTT Group members in developing World-Class Corporate Finance and Accounting planned to increase competitive effectiveness in work processes and good management practices.

1.5 Innovation and Research & Development

IRPC has continuously managed its business with full support in innovations, research and development of products, work processes and services, including consistent introduction of innovative products to the market to respond to customers' needs and maintain its business competitiveness. In 2011, a total of 146 innovations were presented in the company innovation competition, 12 of which were awarded with innovation trophies and 10 with recognition awards. In 2011 the awarded innovation implemented are:

- With collaboration to PTTPM, IRPC conducted an Ultrahigh Molecular Weight Polyethylene (UHMWPE) product research and development and eventually commercialized with an introduction to the market this year, the first in Thailand and Southeast Asia. This extraordinary product, with a molecular weight of 3 million grams per mole, is very tough, strong, and durable to shear stress and chemical corrosion than

general polyethylene. This product can be used in manufacturing of the bulletproof vests, dynamic ropes, artificial knees joint etc. The current production capacity is 240 metric tons per year. The expanded production capacity in 2013 will be 16,000 metric tons per year, aim for both domestic and export sale and will generate a profit more than Baht 320 million per year for IRPC.

- IRPC has joined Kasetsart University and Oxford University, UK to develop antibacterial additives using nanotechnology. With nanotechnology process, a newly higher efficient antibacterial additive can be developed for mixing with certain polymers to produce varieties of products at a lower cost. Some of these nanotechnology products which IRPC can currently produce are Argentum (Ag), Zinc Oxide (ZnO) and Titanium Dioxide (TiO₂) nanopowder.

- IRPC initiated the research and development of Super Clarity Polypropylene for Baby Bottles, a new polypropylene plastic polymer replacing polycarbonate. There are a lot of countries prohibiting the production, sale and import of baby bottles from polycarbonate, which is a product made from bisphenol A (BPA). BPA has chemical structural similarity to estrogen, the female hormone. To some certain extent, baby boys, after consuming milk from a bottle made from BPA, could develop a sexual deviation behavior. The super clarity polypropylene has been certified for its safety for use by many international organizations including the US Food and Drug Administration (FDA), the European safety products for child use and care articles (EN14350), the European standard on safety requirement for toys (EN71) and the European standard on restriction of hazardous substances (RoHS). IRPC currently has many indigenous and international customers that shows interests in this new development.

- To conserve and reduce the use of natural wood, IRPC developed the wood plastic composite for natural wood substitutes. The R&D began with the mixture of wood particles and variety of plastic pellets in variety types of mold. The output is the wood plastic composite which is more durable, resistant to moisture, and yet very flexible. The leftover can also be reused.

- To improve the quality of SAN resin, IRPC and TOYO Engineering of Japan co-developed the

Catalyst SAN Process to replace the thermal process in manufacturing SAN resin. The development technology not only boosted IRPC's technical ability to the world competitive level, but also helped reduce the release of CO₂ by up to 90 metric tons per year. IRPC and TOYO Engineering Japan had registered this technology with an intellectual property protection agency and in the future profit from the technology licensing business.

- IRPC has successfully replaced the thermal process polymerization with the catalyst process in producing polystyrene plastics. This resulted in high-quality polystyrene products at lower production costs, hence, IRPC has become more competitive in polystyrene production and can reduce the carbon dioxide emission up to 2,371 tons per year.

- To improve its Customer Relationship Management (CRM), IRPC invested in the development of a CRM database which is accessible by the internet and PDA: iCons for petrochemical business database and iRis for petroleum business database. The newly developed system provides more sales channels, better customer solution services, and systematic management of customer relations. This development has significantly boosted relationships with customers through consistent care and speedy services.

IRPC believes that innovation is the key to the organizational competitiveness and strength, therefore, an annual innovation competition is strongly supported to maintain its innovative culture and sustainable growth. IRPC was granted in 2011 the 1st Runner-up National Innovation Award on Outstanding Innovation (Economics) by the National Innovation Agency (NIA) on its Green ABS product innovation, successfully substituting synthetic rubber with up to 20-50% natural rubber while maintaining characteristics of ABS polymers from petrochemical. The additional value to the national economy was a reduction of imported butadiene of more than 10,000 metric tons per year equivalent to the import saving of Baht 660 million per year, and a reduction of carbon dioxide emission of up to 700,000 metric tons per year.

1.6 Information Technology

IRPC has continuously developed its information technology with focuses on building business

competitiveness, efficient organizational and business management, and effective customer management. This year, IRPC successfully expanded its IT system to cover the following aspects.

- Expanded the Enterprise Resource Planning (ERP) to cover its subsidiaries
- Won the ICT Excellence Awards 2010, presented by the Thai Management Association (TMA) on March 23, 2011 namely;
 - Excellence Award in Core Process Improvement Project, an outstanding award for IT core process improvement, reduction of system redundancy, cost saving, system error reduction, increasing speed, convenience and efficiency, contributed from the Daily Gross Integrated Margin (GIM) project.
 - Excellence Award in Business Enable Project, an outstanding IT award for driving the business to excellence with specific focuses on final business performance (profits or value-added) and special attention on business partner integration, contributed from the Integrated Supply Chain and Total Business Solution project.

1.7 Human Resource Management

IRPC Human Resource Management (HRM) has been continuously developed, including personal skill development, career development, leadership training and learning. All HR programs have been geared toward development of human assets and supporting the knowledge-based organization. Below is a summary of HRM development in 2011:

- Implemented a Performance Management System (PMS) for skill measurement in employees in conjunction with KPIs for performance measurement of projects. PMS raised awareness of self-initiated goals and cross-functional work among all employees toward the same directions throughout the organization.
- IRPC conducted competency assessment with employees at all levels and the leadership competency assessment for management. The assessment focuses on personnel core competency, aligned with the organizational values. This on-going personnel assessment process enables effective personnel development in

conjunction with functional performance reviews under the competency development roadmap.

- A career development system was introduced to support the efficient manpower allocation, as well as to promote self-developed skills for continuous value creation to the organization.
- In cooperation with PTT Chemical Plc., Petroleum Institute of Thailand, and King Mongkut's University of Technology (Thonburi), IRPC launched the Productivity Improvement - Chemical Engineering Practice School (PI-ChEPs) to promote skills and potential development of engineers in production processes. The program promotes employees' analytical skill development and production process solutions.
- Kicked off the Operation Development System (ODS) and Operation Training Simulation (OTS), a simulation model worth more than Baht 100 million, to develop new sets of skills for effective production with zero accident.
- Initiated the Knowledge Management (KM) system as a search media of information. Activities were organized to encourage knowledge exchange among employees, building through knowledge practices community and culture as part of organizational sustainable development.
- Continuously promoted the use of various management tools for productivity improvement, such as the "Har Sor" (5s), Quality Control Cycle (QCC), and suggestion activities. These tools and activities could save IRPC up to Baht 560 million.
- Executed safety cultural development via Safety Leadership, a program for building leaders with safety awareness, organized for supervisory to managerial staff.
- IRPC won an outstanding award, presented by the Department of Labor Protection and Welfare, Ministry of Labor, for five consecutive years on labor relations and labor welfare. This demonstrates an excellent level of relationship between IRPC and employees.

2. Social Performance

In addition to business performance, IRPC conducts its business with responsibilities to society under its

Corporate Social Responsibility (CSR) program and pays serious attention to all stakeholders throughout the business supply chain. CSR activities this year included the following:

- Community well-being : Installed water works at eight locations in three tambon (sub-districts) surrounding the plant in Rayong to improve the water work system and water quality, built ‘heavy equipment center for the community’ at Amphoe Mueang, Ban Khai and Wang Chan (districts) to serve as central support to the surrounding during emergencies and crisis.

- Hygienic : IRPC launched two hospital facilities upgrading and health promotion projects at Ban Kon Nong and Nong Chok sub-districts, the plant’s surrounding communities, and a mobile medical visit project which was carried out twenty nine times throughout 2011.

- Education : IRPC continued to employ the ‘community education center’ as the central educational support facility i.e. practical tour activities, brain-building camp, edutainment activities, and artistic painting projects. Other activities included knowledge exchange programs, agricultural development, environmental studies, and extra income activities for the community. All activities were organized to bond the business, the community, and the environment for mutual growth and development. There were more than 60,000 visitors this year. Moreover, IRPC organized the 2011 White-elephant Village Fund, providing 209 educational scholarships to students with excellent educational track records, good behavior, but lacking educational funds.



- Natural resources and environmental conservation: IRPC organized the ‘Love Thailand – Conserve the Sea Youth Camp’ to cultivate awareness of natural resource conservation and to embody proper attitudes in marine and coastal resource conservation for long-term marine environmental protection and preventing of future deterioration.

- Religion, tradition and culture : IRPC sponsored the Department of Fine Arts in a study and proceed with renovation of Wat Khrua Ta Phet, located near Ayutthaya Oil Depot. The study was fully completed. In addition, IRPC consistently supported activities related to religion, local traditions and cultural activities in areas where it operates.

- “Voluntary Spirit” activities : A joint effort between all executives and employees of IRPC and students from IRPC Technical College was put together to provide protection, support, assistance, and restoration to all casualties of the 2011 flooding crisis. Series of caravans with survival (relief) bags, drinking water, and medical assistance visited several areas, including a boat caravan under “Nam Jai Thai - IRPC” visits to Bang Phlat and Bangkok Noi districts of Bangkok. IRPC organized a temporary emergency center dedicated to filling sand bags for casualties. A total of 300,000 sand bags were produced by the center. IRPC also temporary dedicated part of its office space for Thai Government’s Flood Relief Operations Command (FROC) to use as command center during crisis.

In addition, IRPC won a CSR-DIW plaque award and certificate for its ethylene and polystyrene plant operations with responsible programs to society beyond regulatory requirements, presented by the Department of Industrial Works, Ministry of Industry.

3. Environmental Performance

IRPC realizes the importance of doing business with due regard for the environment. All our activities are to always fully utilize natural resources at their optimal value while creating the least impact on the environment. Some activities related to our environmental performance are as follows:

- Controlled/reduced organic vapor release : Several work processes were modified to ensure that the release

of organic vapor was controlled and reduced, including chemical substance transfer, work improvement, central sewage odorized system improvement, installation of Regenerative Thermal Oxidizer (RTO) to prevent odors from volatile organic compounds (VOCs) released from production processes, and installation of the Vapor Recovery Unit (VRU)

- Installed a display board in front of the IRPC Complex in Rayong, which displaying real-time air quality measurement in addition to the two other boards earlier installed at the Ban Laeng TAO and Ban Kon Nong public health office. These boards served as another communication channel for reporting air quality and other general information to communities under the environmental governance system of IRPC.

- Set up a field coordination program providing a 24-hour environmental quality monitoring service. The unit also handles reporting and public relations of environmental data to the communities.

- Organized promotional activities to educate employees and the public on safety, health and environment: IRPC participated in the PTT Group HR & OE Forum, conducted the opening of the Ban Na Ta Khwan security center, supported the institution of community disaster prevention and mitigation capability with the arrangement and publication of emergency plans and evacuation plans for Choeng Noen and Bang Laeng TAOs.

- Constructed a protection strip to prevent communities from industrial disasters, the eight-km strip covering 240 rai of land is set for planting of 220,000 trees. Trees are bought from nurseries owned by local communities. The project is scheduled for completion in March 2012.

4. Corporate Governance Performance

Under the corporate governance policy, the IRPC Board of Directors and management have continuously promoted and operated business with strict conformance to the governance policy, with key activities this year summarized as follows:

- Continually developed and upgraded governance

practices. IRPC signed and entered as a corporate member of the UN Global Compact on November 21, 2011

- Consistently encouraged employees to adhere to the corporate governance practice during work and with family after work hours. Promotions were launched via communication channels and activities of IRPC, such as internal magazine “Ai-Un”, and “Volunteer Spirit” activities

- Specified a policy to continuously seek participation from all units to consistently improve the governance system. A CG working group has been set up to coordinate with all business units on governance practices and ensure alignment with operations and environmental settings

- Provided and monitored information to all shareholders and stakeholders equitably : This year, IRPC was rated ‘excellent’ on corporate governance by the Thai Institute of Directors for three years in a row, and also rated ‘outstanding’ by the Thai Investors Association from a 2011 AGM meeting survey

- Conducted annual self-evaluation assessment under three categories by the Board and for the Board. The assessment provided information on performance, problems and obstacles during the previous year. The 2011 outcome, assessed by a 12-member Board, was rated ‘outstanding’ in all three categories:

- Across the Board, with an average score of 93.66%

- Board member individual self-evaluation, with an average score of 95%

- Other Board members (cross evaluation), with an average of 97.36%

However, even with excellent to outstanding performance on corporate governance, IRPC is totally committed to continually escalating its governance standard and practices to create confidence and integrity of the organization in the view of stakeholders, which IRPC believes are the key to mutual sustainability

With full realization of internal and external risks and their impacts on its business and operations, along with a strong intention to achieve its business goals and plans, IRPC has adopted a companywide single universal risk management system and policy. The Risk Management Committee and the Audit Committee are directly responsible for review and providing guidance on the risk management and mitigation, as well as the monitoring of progress in managing risks at the highest efficiency. Risk management team will provide a progress report to both committees on a quarterly basis. In addition, employees are encouraged to gain more knowledge and better understanding in risk management through the risk management handbook, meetings, seminars, training and other activities organized by IRPC for companywide understanding and practices.

The 2011 risk register, a list containing risks with possibility to impact the business and respective mitigations, includes the following.

1. Feedstock and Product Price Volatility

Crude price volatility in 2011 remained the major risk to IRPC as crude is the main feedstock for our petroleum and petrochemical operations. Other external risk factors are the global economy and its regional variation, political stability of oil-producing and oil-exporting countries especially from the Middle East, OPEC's production quota and policy change, climate conditions, internal and external changes of refined product specifications, accidents, and natural disasters affecting refineries and oil fields. Crude price volatility is considered the most important risk factor significantly affecting IRPC's financial and operational performance.

Risk Mitigation Measures : IRPC continuously maintains its risk management policy and practices including coordination with other members of PTT

Group to retain its competitive edge on feedstock price negotiation and cost control, entering the financial derivatives when price, volume and timing targets appropriately fit the risk profile and in line with the business plans supervised by the feedstock and product hedging committee. Also, to ensure optimum efficiency of the feedstock price procurement plan and product sale plan, the supply-chain Management system has been launched. The Bottom-Up Stock Target (BUS), an inventory management tool, was brought in and incorporated with Linear Programming and Scheduling Programming.

2. Foreign Exchange Risks

Nearly all business trades, including income from sales of product and feedstock cost, are in US dollars, referenced to world market prices. Exchange between USD and the Baht are made at the rate specified in the respective trade agreement. The exchanged income from USD to the Baht is the most prominent financial risk.

Risk Mitigation Measures : To reduce the impact of the reimbursement of expenses and debt in Baht currency the company has a mitigation plan by proportionately managing loans in US Currency to be in line with the company's revenue structure and or making a forward exchange in USD currency to pay the expense in Baht. The above execution is made under Natural hedge Policy.

3. Operation Risks

Operation risks can either be internal or external, some of which are not predictable. Malfunctioning of equipment and machinery or power blackout can interrupt or halt the production. Other operation risks are delivery process to customers, property loss, etc. These losses could create significant impacts on IRPC.

Risk Mitigation Measures : The Company has launched a lot of initiative projects to develop and improve efficiency in all systems. Additional equipment, machinery, the safety system to ensure operational safety and the Combined Heat and Power Project (CHP), to ensure reliability and efficiency of power supply system to IRPC's plants, including, power management system - (at corrosion control & monitoring) an automated system controlling the power supply and distribution, internal knowledge management, and skill development program - have been installed and organized to continually support IRPC's business.



4. Project Risks

There are two major capital project types.

1. Phoenix Projects. The five-year projects during 2010-2014, are initiated to enhance IRPC's competitiveness and support to achieve company's vision. The delay of these projects or lower-than-expected returns, could hinder IRPC from getting to the visionary target.

2. Projects for sustainable growth. These are capital projects invested for continual growth and value-added for IRPC. The projects include a propylene production expansion project to reduce the import of feedstock, and an ABS 6 production expansion project invested for special-grade ABS polymer production which is of very high demand. Other capital projects like natural gas-fired combined heat and power project and tail gas treating unit (TGTU), are designed not only to drive IRPC's growth, but also to protect environment and support community programs for equitable sustainable growth.

However, the environmental impact assessment (EIA) and health impact assessment (HIA) are mandatory for almost of the projects. Approval before project sanction

and all other legal obligations are always strictly adhered to.

Risk Mitigation Measures : To ensure that all projects can be sanctioned within the timing, budget control and the expected returns, close monitoring of all these projects are a part of IRPC's risk management program. Special attention is given to the EIA, HIA and other regulatory compliance. Plans and practices must adhere strictly to the legal guidelines, including consistent communication and coordination with the community for the environmental impact and health impact assessments, within the legal framework and timeframe. A special task force is appointed to monitor and provide necessary support to the Phoenix Projects. These supportive areas are organizational structure and operation process, internal and external communication system, leadership and capability development, strategic human resource system development, and integrated change management system. Another task force, Integration Team for Phoenix Transformation (IPT), is assigned to monitor project progression, provide solutions and drive the project execution to success.

5. Environmental and Community Risks

IRPC fully realizes the importance of the environment and truly cares about the well-being of the community. Our production processes may generate some impacts on air quality and water quality, which can affect the well-being of the community. Other possible impacts are the ecology surrounding the plant site, the understanding and good cooperation between the community and IRPC.

Risk Mitigation Measures : IRPC proceeds with all existing environmental projects and launches new projects directed to protect the environment and minimize impacts on the community. Examples of these projects are the installation of the regenerative thermal odorizer - a unit eradicating odor and vapor, vapor recovery unit (VRU), a unit capturing fuel vapor from being released to the atmosphere, the use of chemical odor treatment for process activities and port activities, the installation of CHP (a gas-fired power generation unit without environmental pollution and with over 40% less release of sulfur dioxide and minimizing the impact on air quality by 23%), and the commissioning of the tail gas treating unit (TGTU). IRPC consistently and continuously organizes activities under the corporate social responsibility (CSR) program intended to restore environmental conditions and foster good relationship with the community and all stakeholders.

6. Risks from natural disasters and other crisis

The 2011 flooding crisis wreaked havoc on virtually the entire industry. Fortunately, the operation and business

of IRPC were not significantly affected. All negative impacts were indirect, such as difficulty to deliver products to customers, especially those whose plants and factories were inundated and inactive. Some company's staffs whose houses are located in Bangkok and its vicinity could not commute to work. Our crisis management plan during the flood crisis included (1) pre-crisis preparation, (2) crisis management, and (3) business and operation restoration or business continuity plan. Key functions were temporarily moved to the Rayong Office to keep business on going. Certain adjustment of its information technology system was made to support staff to work at home or a temporary shelter conveniently and with flexibility. Rescue and assistance programs were launched for company staffs and customers for speedy return to normal operation, and the general casualties.

Risk Mitigation Measures : Under normal circumstances, IRPC has in place the management structure in charge of crisis. Nevertheless, to ensure that it is fully equipped and able to handle other crisis such as other natural emergency, demonstrations or political unrests, IRPC has initiated a full-scale disaster management system capable of handling crisis and emergencies of all nature, including specific strategic plans and a business continuity management (BCM) plan to prevent and restrain the emergency and crisis situations, as well as to restore confidence that IRPC can continually operate without disruption.



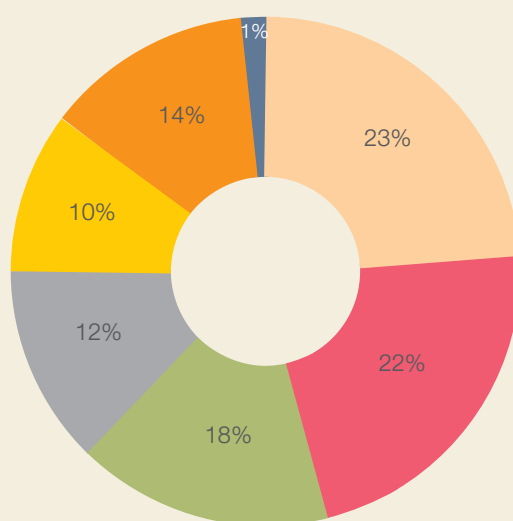
Revenue Structure

Business segment	Operated by	2009		2010		2011	
		Million Baht	%	Million Baht	%	Million Baht	%
1. Petroleum	IRPC Plc., IRPC Oil Co., Ltd.	118,819	71%	166,032	75%	190,421	77%
2. Petrochemical	IRPC Plc., Thai ABS Co., Ltd. IRPC Polyol Co., Ltd.	44,511	27%	52,198	24%	52,822	21%
3. Other business ⁽¹⁾	IRPC Plc.	2,706	2%	3,381	1%	3,645	1%
Total sales		166,036	100%	221,611	100%	246,888	100%
Share of profit/(loss) of investments in associates		17		29		51	
Sales ratio (local : export)		67 : 33		64 : 36		65 : 35	

Note

⁽¹⁾ Other businesses include electricity sale, port and utilities service fees.

Domestic Capacity Share of Refinery in 2011



■ PTTGC
 ■ TOP
 ■ IRPC
 ■ SPRC
 ■ BCP
 ■ ESSO
 ■ RPC

Note : PTTGC includes crude oil and condensate.

Domestic Capacity Share of Polymer's Producers in 2011

unit : thousand ton / year

Products	Company	Capacity	%
HDPE	IRPC Plc.	140	7%
	Thai Polyethylene Co., Ltd.	960	51%
	Bangkok Polyethylene Plc.	500	26%
	PTT Global Chemical Plc.	300	16%
	Total	1,900	100%
PP	IRPC Plc.	475	23%
	HMC Polymers Co., Ltd.	755	36%
	Thai Polypropylene Co., Ltd.	840	41%
	Total	2,070	100%
ABS	Thai ABS Co., Ltd.	117	55%
	Ineos ABS (Thailand) Co., Ltd.	95	45%
	Total	212	100%
EPS	Thai ABS Co., Ltd.	30	68%
	Ming Thi Chemical Co., Ltd.	14	32%
	Total	44	100%
PS	IRPC Plc.	100	29%
	Siam Polystyrene Co., Ltd.	150	44%
	Thai Styrenics Co., Ltd.	90	27%
	Total	340	100%



1. Phoenix Project

IRPC is focusing on driving the Phoenix Project to achieve its goals smoothly and in a timely manner. The project will improve work processes and upgrade machinery and equipment to render more competitive products which will enhance the company to realize its vision of becoming a top quartile petrochemical producer by the year 2014. The project has been progressing since 2009 for 2 years and 4 months comprising of twenty investment sub-projects and four supporting projects with a total investment of USD 1,342 million.

Presently, the Board has approved 15 investment sub-projects under the Phoenix with an investment budget of USD 1,234 million, or 93% of the total budget, covering core and supporting businesses to enhance production efficiency and asset management to increase revenue,

sustainably develop environmentally friendly products, and increase production capacities for product lines with high returns.

In 2011, the Phoenix Project generated Baht 2,100 million of profits from its operation under the following five main missions:

1. Operational Excellence: enhanced energy efficiency and increased production capability for both petroleum and petrochemical production lines by

- Reducing of steam and power consumption, for example, the Back Pressure Turbine Project in petrochemical production line which reduced electricity consumption by 212,500 megawatt-hour (MW-h) a year.

- Maximizing efficiency through supply chain management and inventory management.

- Minimizing process hydrocarbon losses and develop recycling processes to reduce costs and save energy consumption.

2. High-Performance Organization: revised the organization structure, enhance business processes and work systems for efficient project execution by

- Developing the organization by segregating work process by business units' function and responsibility hence enabling the faster and seamless operation.

- Implementing project management system to efficiently control both cost and time whilst maintaining the safety and quality standard.

- Developing human resources and leadership management systems to enhance management's capability to drive the Phoenix project toward the objectives.

- Developing organization management systems by applying the TQA (Thailand Quality Award) conceptual framework to the business.

3. Corporate Social Responsibility: built trust and gained acceptance for the business to grow sustainably together with communities, society and the environment. In this respect, it will become a leading organization in Asia by

- Improving the quality of diesel and gasoline to Euro IV standards in order to comply with national standard and regional oil market trends.

- Developing alternative and renewable energy, such as solar power.

- Successfully reducing greenhouse gas emission and awarded a certificate for the Carbon Reduction Label

as a result of in-house knowledge from petrochemical production processes improvement. The company also operates a Combined Heat and Power (CHP) project and Clean Development Mechanism (CDM) projects, which reduced the greenhouse gas emission to the comply level of the Crown Standards from the Thailand Greenhouse Gas Management Organization (public organization).

- Achieving participation from the locals, communities and the authorities in a multilateral committee to support social and cultural development activities and sufficiency economy while promoting health and hygiene among employees and surrounding communities.

4. Value Creation: added value to special-grade products and extended high potential product lines by

- Developing pipe-grade polyethylene, a high demand product which could command more revenue.

- Developing Bright Stock, a special-grade product in lube base oil group 1 and Treated Distillate Aromatic Extract Oil (TDAE), a special rubber processing oil.

- Being the first in the world to produce Green ABS by replacing synthetic rubber with natural ones, hence, helping planters and reducing imports in line with the Clean Development Mechanism.

- Increasing propylene production from heavy oils, thereby reducing costs.

5. Innovation & Create New Business: created new products from research and development while developing new businesses apart from the core businesses to enhance the company's capabilities through the followings

- Providing professional services to external clients in engineering, maintenance, calibration, product testing and analyses, and information technology.

- Establishing eco-industrial estates to cater for customers in the bio-based business, alternative energy business, automotive parts and equipment business, and innovative businesses such as educational institutes, research institutes, and recreation business.

- Managing ports and tank farms for rental service to external customers.

- Providing commercial bulk and container terminal (BCT) service.

- Developing and owning process licenses which will then be further developed commercially in conjunction with leading international technological firms.

- Developing innovative online technology for the company's integrated business transactions, namely iDEAL (Integrated Digital E-Commerce Account and Logistic Solution) for the petrochemical business, iRON (IRPC Oil on Net) for the petroleum business, and iPORT (IRPC Intelligent Port Service) for the port business.

2. Other Investment Projects

2.1 Combined Heat and Power Project (CHP)

The project generates electricity and steam using natural gas to reduce impacts on communities and the environment, and provide more power and steam generation stability. Certified by Thailand Greenhouse Gas

Management Organization (public organization), it can reduce carbon dioxide emission by 400,000 tons per year, in equivalent to 23,059 rais of rubber trees or 140,000 rais of mangrove. Moreover, this project can help reducing usage of fuel oil consumption by 240,000 tons per year and lessen sulfur dioxide emission by 40%. Project construction began in June 2009 and was completed in April 2011.

2.2 Propylene Production Capacity Expansion Project

The project is to add propylene production capacity by 100,000 tons per year using Metathesis technology in replacement of propylene feedstock imports. The Environmental Impact Assessment (EIA) for this project was approved on 15 September 2011. Presently, construction is in progress and expected to be completed for commercial operation by mid-2012.

2.3 ABS Production Capacity Expansion Project (ABS6)

Thai ABS, a wholly owned subsidiary of IRPC, is Thailand's largest ABS plastic resin manufacturer with a capacity of 120,000 tons per year. It embarked on a project for an additional production capacity of 60,000 tons per year for special-grade ABS resins. The Environmental Impact Assessment (EIA) for this project was on 17 October 2011. Engineering design is on-going. Construction completion and production operation are expected in early 2013.

Human Resource Management

IRPC has continuously developed its human resources. A consultant has been hired to help develop a human resource management system to enhance administration efficiency and bring IRPC's HR management up to international standards according to the company's ambition to become a High Performance Organization by the year 2014, as stated in IRPC's vision. To achieve this, the company needs to raise its competitiveness to accommodate its future business expansion.

The year 2011 is seen as another one of IRPC's human resource development. It aims to strengthen its human capital to drive the organization with sustainability. Improvement to achieve human resource management efficiency has been carried out through various tasks, i.e. restructuring of the organization and jobs as appropriate, as well as reviews of duties and responsibilities to ensure that they align with business development and the company's vision and strategies. IRPC, moreover, has carried out competency development to raise staff's own worthwhile providing opportunities for them to grow on their career paths in parallel with the organization's prosperity. In this regard, the company follows the guidelines below:

1. Performance Appraisal

IRPC has adopted the Performance Management System (PMS), which weighs one's performance against his/her tasks and targets using some KPIs. The system helps each individual realize his/her work targets which he/she set up, and which will be used in staff's annual performance appraisals. PMS and some KPIs will be used in appraising staff performance. The company highly values PMS since it is a tool to help everyone in the organization set their own targets uniformly.

2. Training and Development

IRPC has designed a competency development system which associates the organization's values to one's core

competency in the appraisal of all staff, and to leadership competency in the appraisal of staff at the first-line management level upwards. Results of the appraisal will make staff development more efficient. It has also run a project to review staff performance against their job descriptions, as guided by the competency development roadmap—a technique to promote and develop various tools to enhance staff's learning competency. Moreover, IRPC has carried out projects to develop operating staff's potential, such as the PI-ChEPs project, a cooperative scheme with PTT Chemical Plc., Petroleum Institute of Thailand, and King Mongkut's University of Technology Thonburi to equip staff with knowledge and ability to analyze, so that they may solve production problems more competently. Other projects included the Operation Development System (ODS) Project and the Operation Training simulation (OTS) Project, which involves the use of a production simulation worth over 100 million baht in the training on production supervision. These projects can not only enhance staff's supervisory skills but also prevent loss in the operations.

In addition to providing training, IRPC grants scholarships to staff to pursue their studies at bachelor's, master's, and doctorate degrees both in Thailand and overseas in fields that could benefit its business development.

3. Career Development

To manage career development, IRPC stresses communication on career development plan earlier designed to facilitate planning and administration. This helps it put the right man on the right job. Moreover, staff can continuously develop their potential while creating value for the organization. In this regard, the company has hired a consultant to map out staff's career development plans for those in operation, maintenance, and engineering with a focus on specialist tracks so that these staff can see their career paths more clearly.



4. Knowledge Management

In 2011, IRPC expanded its knowledge management program to the petroleum business unit with a special activity to launch the program and publicize it among all staff to ensure their awareness and understanding. Staff are allowed to store their knowledge in the KM Portal, which is a tool to help staff quickly retrieve information. It also encourages staff to form their groups for exchange of knowledge with the establishment of a learning community in order to sustainably cultivate the KM culture in the organization.

5. Leadership Development

IRPC has carried out the Executive Leadership Development Program (Ex-LDP) to equip department managers with leadership skills so that they may be able to respond to the organization's strategies. It hired a leading consultant to run the Middle Management Leadership Development Program (MLDP) to develop middle managers' potential. Through these programs, the company can not only maintain staff, but continuously produce leaders of a new generation who will become change agents. IRPC has joined PTT Plc. in the top managers' development program to ensure their ability to take the helm of the business, both at present and in the future. It

has studied various development models, which involve searching for success profiles based on business drivers, as well as evaluation of potential, knowledge, capability and performance. An assessment center has been set up to carry out IDP, the development of a new tool in the form of Executive Personal Coaching and Mentoring, and Leadership Development Program.

6. Communication and Employee Relations to Strengthen the Relationship between the Management and Employees

IRPC regularly facilitates communications between the management and staff. The President presides over a special session organized for an engagement between him and staff every quarter, where all staff can learn first-hand about the business direction, obstacles, and possible impacts. Staff are allowed to express their views and take part in the development and improvement of IRPC's business performance. The management also hold regular staff meetings to keep them informed of policies or to follow up work. Bilateral meetings are regularly arranged for engagement with the employee committee and the labor union to ensure healthy labor relations. IRPC's healthy labor relations are visibly confirmed by the outstanding labor relations and welfare awards that the company has received for five consecutive years from Department of Labour Protection and Welfare, Ministry of Labour.

All of the above demonstrate IRPC's attempts to continuously strengthen its HR management system. IRPC values all projects in human capital management which it has carried out and ensures their continuity. It aims to lay a strong HR foundation and will always work to acquire and maintain valuable human resources to grow the business with sustainability.



Corporate Social Responsibilities

IRPC has had creative and responsible engagement with the community through over 200 activities held in various areas during 2011, including health, education, community development, CSR in-process, and volunteering to ensure strong relationship between the organization and the society.

Health



As a result of its policy on responsibility for society and the environment as well as the quality of life, especially access to public hygiene, a project was initiated for the improvement *Nong Jok Primary Care Hospital and Kon Nong Primary Care Hospital* to ensure the well-being of community members around IRPC's operating areas.



IRPC pays due attention to the quality of life and health of Rayong residents because it recognizes that industrial development should accompany the betterment of living condition of those residing around its operating areas. The company, therefore, set up a *Community Sharing Clinic* at the *Community Network Learning Center*, Thailand's first medical clinic rendering free basic medical services.



As an offshoot of the Community Sharing project, a *mobile clinic* was launched as a proactive approach to provide medical services at various surrounding communities. The clinic offers basic medical services and annual physical check-ups. In 2011, it recorded 29 trips.

Education



IRPC's policy is to develop the youth and the community along with environmental conservation. The **Community Network Learning Center** was, therefore, established. In the previous year, the center welcomed over 60,000 visitors who came for various activities, e.g. educational sightseeing, brain activation camp, and many other academic and art activities. The center serves as a forum for knowledge exchange, as well as agricultural and environmental promotion and development. It helps generate more income for the community's occupational groups and serves as a point where the development of the business, the community, and the environment meet.

IRPC also initiated the **White Elephant Village** project, which provides continuous educational support to students with good academic records and good behavior but come from deprived families and, thus, lack opportunities for self-development. In 2011, a total of 209 scholarships were granted.

Recognizing that creating awareness and a proper attitude among the youth in protecting marine and coastal natural resources in their hometown is what the company needs to urgently achieve, IRPC initiated **Rak Thai Rak Talay Youth Camp** (Love Thailand, Conserve the Sea Youth Camp). It believes that children participating in the camp will be able to learn and pass on what they have learned to their family members and others. This project is expected to help safeguard the environment while solving problems of the marine environment.

Community Development



With responsibility for the community and the environment, IRPC is always determined to give assistance to the community. The company has officially launched the **Heavy Machinery Center for the Community** project. It houses a center where heavy machines are provided for community development and disaster relief at Muang, Ban Kai, and Wang Chan districts.

IRPC also helps out in the development of a piped water supply system for the community with the **Tap Water for Communities** project. The project provides knowledge about water quality improvement. The company, in addition, took part in the development of many other activities that involve people's basic living, e.g. hydroponic vegetable planting, rubber tapping training, and the establishment of the community agricultural research center.

CSR in-Process for Sustainable Development



Recognizing that its production processes may somehow create environment impacts on surrounding communities, IRPC has always been alert for minimizing those impacts. One of the measures is to build the so-called **Protection Strip**, around the operating areas to create a large surrounding green area.

natural resources and the environment. IRPC arranges community engagement by receiving opinions from villagers and establishing a multi-lateral committee. Income from the sale of carbon credit will be contributed to the community in return. CSR activities also cover support for various activities initiated to



IRPC also discontinued the use of fuel oil-fired steam engines to help reduce greenhouse gases and sulphur. As a consequence, the company officially launched the **Combined Heat and Power Project (CHP)** on 19 August 2011. The project efficiency surpassed various indicators of sustainable development, especially in

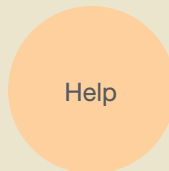
focus upon the development of society, culture, and sufficiency economy, as well as the health of both workers and villagers. By this means, IRPC can ensure that its plant operations are complied with the quality and environmental standards. All of the above are meant for becoming a sustainable power plant with responsibility for its business, the environment, and the community.



Volunteer Spirit

During the recent floods in Thailand, IRPC realized the hardship of the people and its relationship with Rayong residents. The company, with strong volunteering spirit, provided assistance to flood victims in the forms of cash and kind, **including visits to flooded areas, giving relief bags and drinking water.** The company opened a **sand-bag filling center** for flood relief at IRPC's community network learning center. Staff of IRPC and affiliates as well as Rayong residents, numbering over 3,000, came to help out in filling over 300,000 sand bags.

Furthermore, IRPC has over 70 volunteering projects run by the volunteering spirit of the management and staff together with residents around its operating sites, such as **Clean Water for Students** at Wat Pluak Ket School, **Warm Family** at Tetsaban Wat Pak Nam School, **Lighting Improvement** for Ban Chawuek School's Computer Room, **Fence Re-painting** of Nurul Ibadah Mosque, **Improvement of Multi-Purpose Pavillion** in Tapong subdistrict, **Computer for Students** at Wat Pluak Ket School, **Reforestation** in Town, **Water Quality Improvement, Reforestation** at Wat Nam Kok Kao, and **Release of Giant Clams for Marine Resources Rehabilitation.**



Quality, Safety, Occupational Health, and Environmental Management

As IRPC's Corporate policy, core values of quality, safety, occupational health, and environmental (QSHE) management is focused while stressing strong and sustainable business growth in accordance with the stewardship of the economy, society, and ecology for harmonious co-existence. To this end, IRPC has defined these core elements of its policy:

- Promote at-source pollution prevention while exerting control of pollution sources by reducing, reusing, and recycling (the 3Rs)
- Promote at-source waste reduction while remaining continuously committed to efficiency improvement of its environmental management system
- Promote improvement of environmental management among IRPC Group affiliates and join neighboring communities in promoting good

relations among such affiliates, employees, and community members

- Regularly and continually publicize among employees and communities an understanding of IRPC Group's activity development
- Promote systematic efficiency improvement of water management among IRPC Group with a focus on recycling water for the greatest use
- Promote participation in energy conservation, cultivate awareness of energy-saving and effective resource consumption, and forge systematic, continuous energy conservation.

IRPC has also announced a policy on productivity activity management so as to upgrade its human resources and participatory management by encouraging productivity activities as management strategies and tools.

1. Environmental management

The summary of IRPC's QSHE key performance:

Activity topic	Activity
1. Mitigation or prevention	<ul style="list-style-type: none"> ● Invested a system for pollution prevention and mitigation, valued at Baht 188 million and additional income from non-useable materials through principle of solid waste management of Baht 26 million.
2. Use of clean fuels	<ul style="list-style-type: none"> ● Consumed low-sulfur fuels and natural gas ● Reduced sulfur dioxide emission
3. Effluent discharge	<ul style="list-style-type: none"> ● Reduced effluent discharge and recycling water
4. Control and mitigation of volatile organic compounds (VOCs) emissions	<ul style="list-style-type: none"> ● Installed RTO (Regenerative Thermal Oxidizer) and VRU (Vapor Recovery Unit) ● Implemented an international-standard VOC emission inventory ● Managed VOCs in operating areas
5. Safety management	<ul style="list-style-type: none"> ● Developed GHS-based safety data sheets for chemicals ● Launched the behavior-based safety (BBS) project
6. Occupational health management	<ul style="list-style-type: none"> ● Developed employee e-Health Books ● Launched a proactive occupational health project ● Adopted a chemical spill forecast program
7. Quality management	<ul style="list-style-type: none"> ● Saved about 560 million baht as a result of QCC activities

The past year record, IRPC invested approximately 270 million baht in environmental management mitigation, mainly pollution prevention systems. Besides, IRPC had additional income from non-useable materials through principle of solid waste management (3Rs)

IRPC regularly and periodically monitors environmental qualities as required by laws and government agencies' requirements, with additional monitoring so as to mitigate potential community impacts. To elaborate, this year the company measured the qualities of air, water, industrial hygiene and noise—all of which indicated values within standards. IRPC also strives to prevent and remedy environmental problems that potentially affect communities and result from its operations, with a focus on prevention, analysis, and properly efficient resolution at their sources. This way, the company and communities around its operating areas may live side by side amicably. These projects are described below.

- Development of clean energy and cogeneration: Combined Heat and Power Project (CHP) was put into commercial operation this year, which enabled IRPC to abandon fuel oil-fired boilers while increasing energy security and returning economic prosperity to communities and the surroundings.
- Development of protection strips: Capable of preventing and mitigating industrial pollution



problems, this project (to be undertaken in 2011 and 2012) envisioned 220,000 trees planted on a 240-rai area stretching over 8 km, as well as cultivation of saplings by surrounding communities. This year, 7,500 trees (3.41% of the plan) have been planted.

- Environmental governance: This project featured a display board located in front of the IRPC industrial zone in addition to those located at the air quality measurement station for the Ban Laeng tambon administrative organization (TAO) area and the Ban Kon Nong health station. This board represents an additional channel for informing communities about air quality readings and other information.



Grand Opening Ceremony of the Gas-Fired Combined Heat and Power Plant



- Field coordination center for around-the-clock vigilance of environmental quality: This center monitored continuous environmental parameters while publicizing operation-related information to communities.
- Management of VOCs in operating areas: Since 2009, IRPC has implemented a VOC emission inventory to assess and identify ways to manage the local air quality better while getting prepared for conformance to laws or regulations to be enforced soon. IRPC extended its cooperation with government agencies, including that through the development of online database networks by linking readings on ambient air quality and the quality of treated effluent to the Department of Industrial Works, extending cooperation with the Pollution Control Department in developing local databases, and development of standards for at-source VOCs.
- Prevention/reduction of VOCs: Activities included improvement of chemical transfer systems and that of deodorizing the central wastewater system, installment of the RTO (Regenerative Thermal Oxidizer) system to prevent odors of process VOCs, and installment of a VRU (Vapor Recovery Unit).

volunteer for the project with public agencies. This strategy was included in a plan to reduce and eliminate pollution in Rayong, spanning 2007-2011, by choosing low-sulfur fuels, choosing clean technology, using low-NOx burners or boilers, and maximized recycling of water. As a result of these projects, against the 2006 baseline, about 25,000 tons of SO₂, 100 tons of NO_x, and 3.5 million cubic meters of effluent have been eliminated.

2. Occupational Health and Safety Management

IRPC subscribes to international standards of occupational health and safety management, including TIS/BS OHSAS 18001 (PDCA model), process safety engineering, and the 3Ps (people safety, plant safety, and process & procedure safety).

2.1 Industrial Hygiene

In place is an industrial hygiene program that entails measurement of workplace parameters in all areas as required by law, EIAs, and local risk factors to detect items potentially affecting employees' health, which leads to control, prevention, and improvement of workplace conditions.

2.2 Occupational Health

In place are a pre-employment check-up and an annual check-up for each employee, which includes general physical examination and risk-based

Recognizing the value of environmental quality, IRPC has improved its operations to lower pollutant emissions, which forms part of the proactive strategy to

examination, diagnosed by occupational medical doctors. Employee e-Health books contain health profiles, indicating individual health trends for responsible units' vigilant planning.

2.3 Globally harmonized system of classification and labeling of chemicals (GHS)

In place are GHS product safety data sheets to conform to UN requirements and Thailand's impending law, based on ChemWatch chemical databases. IRPC also extended its project to process chemicals.

2.4 Safety Culture

To prevent accidents to employees and its assets, IRPC focuses on preventing unsafe behavior of employees and contractors by continually executing BBS (behavior-based safety), covering personal protection, work with chemicals, and work with machinery. This program has been extended to all its Rayong plants. In addition, it focuses on cultivating a safety culture through the Safety Leadership project to nurture safety leadership among line managers through supervisors.

2.5 Education on Safety, Health, and Environment for Employees and Communities

To promote public understanding of safety, health, and environment, IRPC involved PTT Group HR & OE Forum, the Ban Na Ta Kwan center for emergency preparedness and strengthened community capability for preventing public disasters by developing a plan for emergencies and community evacuation for Choeng Noen and Ban Laeng TAOs. On top of these, the company established a Community Sharing project to look after the health of surrounding community members, together with a mobile health examination

unit to provide physical examination with a focus on diseases associated with industrial pollution, and to provide health advice to community members.

2.6 Development of a Chemical Incident Response Plan and Investigation of Environmental Pollution Diseases

In place at each plant are emergency drills, including those for plant fires, chemical spills, and radioactive spills, designed for emergency preparedness. Besides these, IRPC joined PTT Plc in an emergency drill for gas leaks (level 2). Also, with Rayong Hospital and Chon Buri Public Health College, it developed a chemical spill simulation program.

3. Quality Management

Managing its quality by the ISO 9001, ISO 14001, TIS/BS OHSAS 18001, ISO/IEC 17025, ISO/TS 16949, and ISO 5001 management standards, IRPC values application of productivity tools like 5S, QCC activities, and Suggestion activities by encouraging employee participation. The year saw 326 QCC groups in action, which saved about 560 million baht in company expenses.

In addition, IRPC continually runs activities in line with international requirements and regulations, including

- REACH (Registration, evaluation, authorization, and restrictions of chemicals), an EU chemical control law
- The EU's RoHS (Restriction of hazardous substances), which is regulation 2002/95/EU, governing the use of hazardous substances in electrical and electronic appliances.

Industry and Market Outlook

1. Crude Oil and Refined Product Markets

This year, crude oil prices rose significantly with high volatility. The Dubai crude oil price moved in a narrow band between USD 90 and 120/BBL, averaging USD 106/BBL against USD 78/BBL in 2010. In early 2011, crude oil prices increased with higher diesel demand for heating in abnormally cold weather and then rose steadily, especially for Brent, as a result of the unrest in oil-exporting countries in the Middle East and North Africa, particularly in Libya, which made supply disruption of nearly 1.6 million barrels per day—compounded by the weakening US dollar after the European Central Bank increased the policy interest rate. The oil price in April rose to USD 120/BBL.



Crude Oil and Refined Products Price



However, prices declined over the concerns that Greece might default on its debts, and the release of 60 million barrels from the strategic oil reserves by the International Energy Agency (IEA) to compensate for the shortfall from Libya. Crude oil prices dropped sharply in August and September mostly due to economic factors and the debt crisis in the US and Europe, resulting in the credit rating downgrades for the US and many European countries, together with the uncertainty in the world economy and oil demand. Investment flowed out from the oil market to the US dollar and gold markets, which were deemed less risky. Despite these, oil prices remained rather high as a result of tight supply arising from production problems in Libya and the North Sea.

The total domestic oil refining capacity this year was 1.02 million barrels per day, a 2.8% increase from that in 2010, while petroleum product demand increased 3%. Contributing to this were rises of 3.1% for diesel, 7.6% for jet fuel, and 8.1% for LPG (excluding petrochemical use). Gasoline consumption averaged 20 million liters per day, down 1.6%, and that of fuel oil dropped 6.5%. Gasoline consumption was lowest in October-November 2011 as a result of widespread flooding and more vehicles switching to NGV.

The average diesel consumption this year stood at 52 million liters per day, a 3% increase, according to the ceiling price being capped at 29.99 baht per liter by the government and the exemption of oil fund contribution starting from 27 August 2011, which caused an additional three-baht drop per liter and increased demand. In addition, diesel was needed to fuel pumps during the floods. LPG use totaled 35 million liters per day, an increase by 16% over that of last year. Most dominated by household consumption, accounting for 39% of the total (up 8.8%), followed by feedstock use in the petrochemical industry at 33% (40.7% increase). LPG for cars accounted for 13%,

or a 34.5% rise, since its price was capped at 11.20 baht per liter. On the contrary, industrial consumption decreased by 7.5%, accounting for 10% of the total, due to the price increment measure from the government to add 3 baht per kilogram every quarter to reflect the actual cost. The price was raised twice in 2011.

2. Oil Price Outlook in 2012

The National Economic and Social Development Board (NESDB) forecasted the economic growth in 2012 to be 4.5-5.5%, which will be driven by public spending and investment, together with accelerated restoration investment in the wake of the flood damage in late 2011. It also estimated that world oil prices will be USD 105-110/BBL, slightly more than the earlier forecast issued in 2011 at USD 105/BBL. Oil consumption will grow as a result of the expansion in the world economy while more oil supply from OPEC countries, Libya in particular, will re-enter into the market, but not fully. OPEC will continue to be the key player who controls oil production to keep the market balance and maintain oil prices.



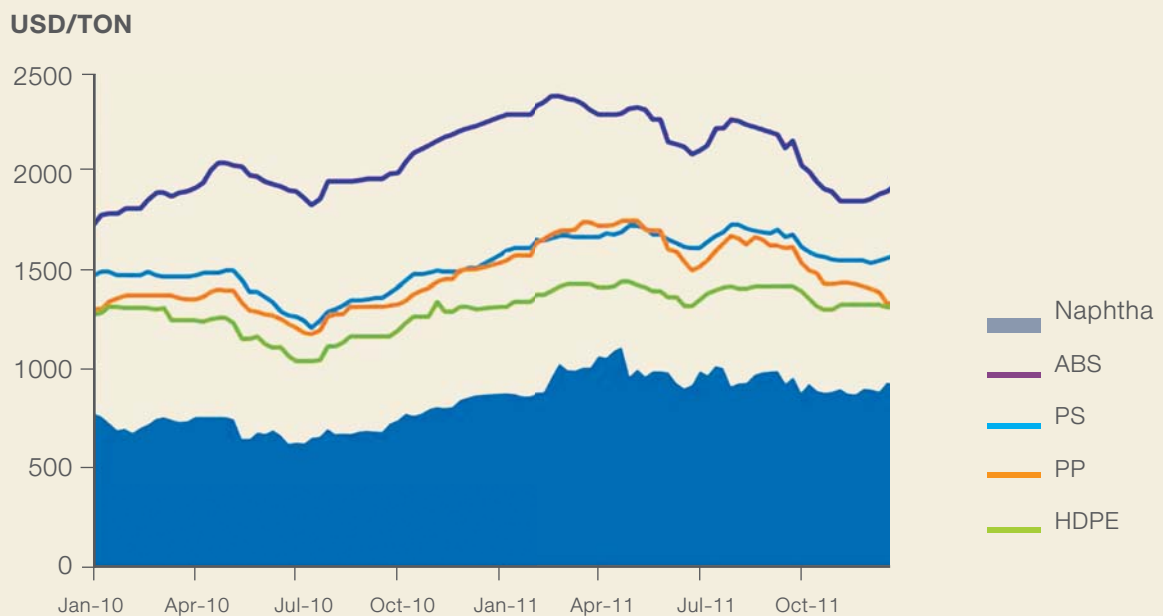
The forecasted petroleum product domestic consumption in 2012 anticipates a slight increase of 0.9% for gasoline due to more gasohol consumption in compensation for the government's policy to abandon the 91-octane gasoline from 1 October 2012. Consumption of diesel will rise by 2.9% and that of jet fuel by 4.8% due to a recovery in the tourism industry after the floods. LPG consumption is expected to rise by 11.2% despite a decrease in the industrial sector, since demand in the household and transportation sectors keeps growing. On the other hand, fuel oil consumption is forecasted to decline by 17.6%, due to less used by industries and power generation. Consequently, the total petroleum product consumption this year is expected to increase by 3.3%.

(Source: Ministry of Energy)

3. Petrochemical Markets

The overall of the Thai petrochemical industry export and domestic consumption in 2011 was one of expansion despite the disaster in Japan causing production shutdowns for naphtha, ethylene, and propylene for 1-2 months and the widespread domestic floods in September to the year-end. Because most manufacturers and customers are located in the eastern part of the country not affected by the floods, normal operation continued. Moreover, the petrochemical industry benefited from the growing demand in parallel with the recovery in the world economy, especially in Asia, as well as the domestic economy. Consequently, demand for petrochemical products as main feedstock to manufacture goods rebounded, especially in the packaging and textile sectors, while the appliance & electronics and automotive sectors expanded in line with the economic growth.

Raw Material and Petrochemical Products Price



The prices of monomer and plastic resins in 2011 increased as their feedstock prices (crude oil and naphtha prices) went up. Plastic polymer prices in 2011, compared with those of last year, were the average PP price of USD 1,586/ton, an increase of 17%, and that of HDPE of USD 1,373/ton, a 12.17% rise. As for olefins products, ethylene prices averaged USD 1,187/ton, a 10% increase, and that of propylene USD 1,386/ton, a 22% rise.

4. Petrochemical Industry Outlook in 2012

The IMF estimated that the world economy in 2012 will expand by 4%. The developed economies will grow 1.8%, while developing ones (China and India) will expand at a high rate of 9.0% and 7.5%. China will be a major driver of the world economy. Negative factors will be the Eurozone crisis and the corresponding downgraded credit ratings of European countries,

conflicts between the US and the Middle East, and natural disasters around the world. Nevertheless, the domestic petrochemical industry will not be much affected by the financial problems in the US and the sovereign debt crisis in Europe because its major export markets are in Asia, with markets in new emerging economies such as China, India, and Vietnam having high demand growth for goods, hence high demand for petrochemical products as feedstock.

However, a factor affecting demand for petrochemicals in the first half of 2012 will be uncertainty in the world economy and China's monetary measures, which may hamper the demand since most buyers will buy for only what they need. The market is expected to recover in the third quarter. The prices of monomers and polymers may follow oil prices, which are forecasted to go up in the first quarter because of the unrest in the Middle East and sanctions against Iran for its nuclear weapon research.

The ASEAN Economic Community (AEC) will see free trade among 10 member countries as a single market in 2015. Thailand must prepare for impacts relating to taxes and labor movement, which could have long-term effects on petrochemical and plastics industries. The Thai economy in 2012 will be supported by consumption demand to restore damaged homes and buildings as well as manufacturing equipment after the floods. This will in turn boost petrochemical demand. Southeast Asia and China will be major importers of plastic polymers.



Management Discussion and Analysis (MD&A)

1. Executive Summary

Operating result for Q4/2011, the Company had net loss of Baht 2,195 million mainly due to the decrease in refining capacity to 121,000 barrel per day or at 56% of total capacity resulting from 49 days planned major turnaround. Price of petrochemical products declined from concerns on the European sovereign debt crisis and the effects of China's hard landing on global economics. The Company's Gross Integrated Margin (GIM) declined to USD 5.0/bbl. In addition, there is the disposals of fixed assets for planned major turnaround of Baht 375 million and gain on revaluation of marketable securities amounted Baht 124 million.

Operating results of 2011, the Company's net profit was Baht 4,107 million in comparison with Baht 6,100 million in 2010. Utilization of Refinery declined from 174,000 barrel per day in 2010 to 160,000 barrel per day in 2011 or a decrease of 8%. Despite the decrease in refining capacity, there was improvement in margin from GIM of USD 1.2/bbl to reach USD 9.7/bbl. In 2011 there was the decrease in value of marketable securities of Baht 989 million, the disposals of fixed assets Baht 512 million whilst there was an increase in unrealized gain from derivative instruments of Baht 249 million.

2. Operating Performance

(Unit: Million Baht)

Consolidated Statement of Income	Quarter			Year	
	4/2011	4/2010	3/2011	2011	2010
Average FX (THB/USD)	31.16	30.13	30.26	30.63	31.87
Total Intake (Mbbbl)	11.10	16.41	16.17	58.25	63.61
Average Dubai (USD/bbl)	106.50	84.30	107.10	106.20	78.00
Net Sales ⁽¹⁾	50,117	51,180	64,953	236,519	199,418
Cost of Feedstock ⁽²⁾	(46,734)	(44,916)	(61,092)	(214,641)	(177,970)
Utilities Cost	(686)	(1,281)	(605)	(3,045)	(4,671)
Gross Profit (Accounting GIM)	2,697	4,983	3,256	18,833	16,777

(Unit: Million Baht)

Consolidated Statement of Income	Quarter			Year	
	4/2011	4/2010	3/2011	2011	2010
Other Income ⁽³⁾	365	264	354	1,238	1,326
Selling Expenses	(201)	(273)	(257)	(986)	(1,141)
Accounting GIM and other income	2,861	4,974	3,352	19,085	16,962
Operating Expenses	(2,863)	(2,645)	(2,304)	(9,544)	(8,723)
EBITDA	(2)	2,330	1,049	9,541	8,239
Depreciation	(944)	(852)	(952)	(3,595)	(3,384)
Financing Cost Net	(371)	(261)	(414)	(1,381)	(1,159)
Gain/(Loss) from Foreign Exchange	108	588	117	346	1,761
Profit before tax and non-recurring items	(1,209)	1,805	(201)	4,912	5,457
Unrealised gain/(loss) from derivative instruments	(747)	(71)	470	85	42
Gain/(Loss) from impairment and disposals of fixed assets	(365)	70	(22)	(512)	58
Investment Gain/(Loss)	121	491	(370)	(249)	707
Other Expenses	(7)	(9)	(15)	(44)	(35)
Net Profit (Loss) before Income Tax	(2,207)	2,285	(138)	4,192	6,230
Income Tax	11	(56)	(39)	(85)	(130)
Net Profit (Loss)	(2,195)	2,230	(177)	4,107	6,100
Net Profit (Loss) per share (Baht)	(0.11)	0.11	(0.01)	0.20	0.30

Note: ⁽¹⁾ Including Petroleum Business (Excluded Excise Taxes), Petrochemical Business, Power and Utilities Business

⁽²⁾ Cost of Feedstock included gain (loss) from stock and risk management

⁽³⁾ Other Income consist of Port, Tank Farm and Service etc.

3. Performance comparisons of 2011 and 2010

3.1 Oil price overview

In 2011 average Dubai price soared 36% over a year, averaging USD 106.2/bbl, mainly accounted for the unrest in Egypt, later spread to other oil-producing

countries, and grave concerns about the sovereign debt crisis in Greece and other Euro zone countries. Extreme volatility marked in the first half of the year because of the failure to resolve these latter problems and the lack of clarity in problem-solving. Refineries, meanwhile, underwent planned major turnaround, causing Dubai to the end of the second quarter at an average of USD 110.7/bbl.

Spread	Quarter					Year		+ / (-)
	4/2011	3/2011	2/2011	1/2011	4/2010	2011	2010	YoY
Dubai	106.5	107.1	110.7	100.5	84.3	106.2	78.0	36%
Petroleum Spread : Products - Dubai (Unit: USD/bbl)								
ULG 95	9.8	17.3	14.3	12.6	10.7	13.5	10.4	30%
Gas Oil	17.8	17.6	19.5	18.2	13.0	18.3	11.5	59%
Fuel Oil	(2.8)	(5.6)	(8.6)	(9.1)	(9.6)	(6.5)	(7.0)	7%
Lube Base Oil	76.3	95.2	91.4	71.2	67.7	83.5	63.9	31%
Petrochemical Spread : Products - Naphtha (Unit: USD/MT)								
Mixed Xylene	333	314	195	136	171	244	157	56%
Toluene	237	206	119	98	113	165	133	24%
HDPE	431	445	397	445	477	429	493	(13)%
PP	536	659	680	708	627	646	621	4%
PS	666	716	661	725	675	692	698	(1)%

For the year 2011, the spread of ULG 95 and Lube Base Oil rose by 30% in line with the 7% rise of fuel oil spread due to the increase in the regional market demand particularly from China, coupled with the products adjustment the price to keep up with the rising prices of fuel oil, the gradually expansion demand and the refinery plants shutdown in Asia. In addition, the stock of gasoline continuously declined before driving seasons in U.S.A.

Gas oil spread was highly increased supported by the expectations that China would import more gas oil in summer for its power generation. For the year, the gas oil spread was at USD 18.3/bbl, or a 59% rise compared with USD 11.5/bbl last year.

Aromatics group spread rose for the year with the maintenance shutdowns of Korea's plants and the fire at Formosa's cracker plant in Taiwan, while several plants

in Japan affected by the tsunami had to shut down for maintenance, thus leading to raw-material shortages. Meanwhile, the polyester market remained healthy, pushing up aromatics prices, which led to an average MX spread of USD 244/MT, a 56% rise from that of last year. The toluene spread averaged USD 165/MT for the year, a 24% rising from that of last year.

For the polymers spread (HDPE, PP, PS) averaged down for the year, with the exception for PP spread, which surged because of the 30% rise in naphtha prices in line with rising crude oil prices, averaging USD 938/MT. On the other hand, the other polymer prices rose an average of only 15%, thus lowering spreads of the whole polymers which HDPE spread lowered by 13% from that of the last year.

3.2 Production and Sales

3.2.1 Feedstock

(Unit : USD/bbl)

Petroleum	Quarter					Year		+ / (-)
	4/2011	3/2011	2/2011	1/2011	4/2010	2011	2010	YoY
Petroleum								
Crude Intake								
MBBL	11.1	16.17	15.66	15.32	16.41	58.25	63.61	(8)%
KBD	121	176	172	170	178	160	174	(8)%
Utilization Rate								
Refinery	56%	82%	80%	79%	83%	74%	81%	(8)%
Petrochemical								
Utilization Rate								
Olefins and Polyolefins	55%	94%	96%	95%	100%	85%	96%	(12)%
Aromatic and Styrenics	50%	90%	79%	76%	90%	74%	86%	(14)%

Crude intake for the year was 58.25 million barrels, equivalent to 160 KBD, with the utilization rate of 74%, down by 8% from that of last year. During the fourth quarter, IRPC underwent a planned major turnaround from October 31st to December 18th. Incidentally, toward the end of December, a blackout occurred resulting to the utilization rate of 56% in the fourth quarter.

IRPC's petrochemical business, the downstream from the petroleum business, is based on naphtha received from its refinery. According to the above mentioned turnaround, the utilization rate of the olefins for the year was at 85%, down by 12% from that of last year. The fourth quarter's utilization rate stood at 55%. As for the styrenics, the utilization rate for the year registered at 74%, a 14% drop from that of last year. Therefore, the utilization rate of the fourth quarter was at 50%.

3.2.2 Sales Value and Sales Volume

Products	Sale Value		Sale Volume		Proportion of Sales	
	2011	2010	2011	2010	Local : Export	
Petroleum	Mbbl	Mbbl	M.Baht	M.Baht	2011	2010
1. Gasoline	4.72	5.45	17,442	15,636	89 : 11	88 : 12
2. Gas Oil	24.79	26.11	95,152	75,152	72 : 28	55 : 45
3. Fuel Oil	8.41	7.55	26,339	17,978	81 : 19	91 : 9
4. Lube Base Oil and Asphalt	6.11	6.38	23,438	20,862	46 : 54	43 : 57
5. Others	5.34	4.85	18,375	15,196	13 : 87	39 : 61
Total	49.37	50.34	180,746	144,824	64 : 36	57 : 43
Petrochemical	KMT	KMT	M.Baht	M.Baht	2011	2010
1. Aromatics	245	269	8,352	7,230	64 : 36	61 : 39
2. Olefins ⁽¹⁾	667	689	31,046	31,080	71 : 29	77 : 23
3. Styrenics	216	332	12,343	12,892	50 : 50	48 : 52
4. Polyol	15	15	1,080	996	61 : 39	43 : 57
Total	1,143	1,306	52,821	52,198	64 : 36	51 : 49
Power and Utilities			M.Baht	M.Baht	2011	2010
Total			2,952	2,396	100 : 0	100 : 0
Total Sales			236,519	199,418	64 : 36	59 : 41
Other Incomes			M.Baht	M.Baht	2011	2010
Port, Tanks and Services			471	457	100 : 0	100 : 0
Others			767	869	100 : 0	100 : 0
Total			1,238	1,326	100 : 0	100 : 0
Net Total Revenue (excluded excise taxes)			237,757	200,744	65 : 35	58 : 42

Note : ⁽¹⁾ Olefins consist of Olefins and Polyolefins

The operating revenue for the year reached Baht 236,519 million, a rise of Baht 37,101 million or accounted for 19% from last year. The surging on total sales was affected by the rising of product price accounted for Baht 45,572 million, whereas the lower in sales volume was impacted accounted for Baht 8,471 million. By the proportion of domestic and export sales, both businesses accounted for 64% and 36% respectively. For the petroleum group commanding Baht 180,746 million in total sales, an

improvement of Baht 35,922 million or accounted for 25% over that of last year accounted for the price factor of Baht 41,291 million, whereas the impacts of less sales volumes accounted for Baht 5,369 million. The petrochemical group registered Baht 52,821 million in total sales for the year, a Baht 623 million rise over last year accounted for the price factor of Baht 5,909 million, whereas the impacts of less sales volumes accounted for Baht 5,286 million.

3.3 Gross Profit (Accounting GIM)

(Unit : USD/bbl)

	Gross Integrated Margin (GIM)		+ / (-)
	2011	2010	
Refined Products	2.95	1.73	1.22
Lube Base Oil	3.31	2.04	1.27
Petroleum (GRM)	6.26	3.77	2.49
Olefins	1.89	2.86	(0.97)
Styrenics	1.18	1.32	(0.14)
Aromatics	0.38	0.56	(0.18)
Petrochemical (PTF)	3.45	4.74	(1.29)
Total	9.71	8.51	1.20

In 2011, the Company's accounting GIM equaled USD 9.7/bbl, a rise of USD 1.2/bbl from that of last year. Of this rise, the petroleum group's GRM accounted for USD 2.5/bbl. IRPC profited from stock gain of Baht 2,360 million or USD 1.30/bbl.

3.4 Operating Expenses (OPEX)

IRPC's operating expenses for 2011 amounted to Baht 9,544 million, equivalent to USD 5.36/bbl or Baht 164.25/bbl. Comparing with the previous year OPEX at Baht 8,723 million, equivalent to USD 4.48/bbl or Baht 143.11/bbl, the expense per unit rose 15% because of the planned major turnaround resulting to the lower output than last year.

3.5 Financing Costs

The financing costs for 2011 amounted to Baht 1,381 million, a rise of Baht 222 million or accounted for 19% from that of last year. The bulk of this came from the completed CHP project (Combined Heat and Power Plant Project) which an incurred project interest payable was recorded as an expense item since June this year.

3.6 Gains from Exchange Rate

Gains from foreign exchange rates for 2011 amounted to Baht 346 million of which realized profits

amounted to Baht 642 million and unrealized losses amounted to Baht 297 million. A decrease of Baht 1,416 million from last year resulted from unrealized losses on the part of loans which were increased by the weakening Baht during the year, compared with the appreciating Baht in last year.

3.7 Non-Recurring Items

IRPC incurred Baht 350 million in losses from marking to market value of trading securities (Thai Oil Plc.) for 2011 due to the decrease in its value while it was registered at Baht 989 million in profits last year. IRPC incurred Baht 512 million in losses from impairment and disposals of fixed assets for 2011, a rise of Baht 570 million from last year. Of this, Baht 375 million was for the disposals of fixed assets for planned major turnaround and Baht 122 million for the impairment of boilers. Noted that last year there was a reversal of Baht 91 million in the impairment of land. Moreover, IRPC commanded Baht 85 million in unrealized gain from derivative instruments - a rise of Baht 43 million from those of last year of which Baht 249 million came from profits arising from financial derivatives, and Baht 205 million came from the greater losses from oil derivatives.

4. Consolidated Financial Positions

(Unit : Million Baht)

	Dec 31, 2011	Dec 31, 2010	+/-	%
Current Assets	55,447	49,307	6,140	12%
Non-Current Assets	76,729	71,151	5,578	8%
Total Assets	132,176	120,458	11,718	10%
Current Liabilities	27,642	18,105	9,537	53%
Non-Current Liabilities	28,604	27,639	965	3%
Total Liabilities	56,246	45,744	10,502	23%
Shareholders' Equity	75,931	74,714	1,217	2%
Total Liabilities and Shareholders' Equity	132,176	120,458	11,718	10%

4.1 Assets

As of the year-end 2011, IRPC commanded Baht 132,176 million in total assets, a rise of Baht 11,718 million or accounted for 10% rise from that of last year mainly due to a rise of Baht 8,709 million or accounted for 29% rise in inventories which the average price of crude oil in inventory this year was USD 110/bbl whereas that of last year was USD 88/bbl. A Baht 6,151 million rise in net property, plant and equipment which came from various investment projects, consisting of the CHP project, the Tail Gas Treating Unit project, the propylene capacity expansion project (PRP), the ABS capacity expansion project (ABS6) and planned major turnaround. Meanwhile, a bank deposit was lower Baht 1,815 million. The impairment loss of fixed assets rose by Baht 122 million and losses on disposals of fixed assets for the planned major turnaround totaled Baht 375 million.

4.2 Liabilities

As of the year-end 2011, IRPC had Baht 56,246 million in total liabilities, a rise from last year of Baht 10,502 million or accounted for 23% as a result of increase in trade account payable of Baht 10,434 million or accounted for 150%, due to the USD 22/bbl rise in the crude oil price from last year and the Company postponed to purchase crude oil from December 2010 to the beginning of the year 2011. A rise in non-current liabilities were due to the withdrawal of long-term loans of Baht 2,471 million. Meanwhile, the long term loan of Baht 2,000 million was transferred to the current portion of long term loan item.

4.3 Shareholders' Equity

As of the year end, IRPC commanded Baht 75,931 million in shareholders' equity, a rise of Baht 1,217 million from a year earlier, as a result of the net profit of Baht 4,107 million for the year, the rise in issued and paid-up capital of Baht 265 million from exercise ESOP, and dividend payment of Baht 3,666 million.

5. Statements of Cash Flow

(Unit : Million Baht)

		2011	2010
1	EBITDA	9,541	8,239
2	Change in operating assets and liabilities	3,318	(1,914)
3	Net cash inflows from operating activities	12,859	6,325
4	Net cash used in investing activities	(7,779)	(6,088)
5	Net cash used in financing activities	(6,894)	(630)
6	Net decrease in cash	(1,814)	(393)
7	Cash at beginning of the year	4,770	5,163
8	Cash at end of the year	2,956	4,770

At the year-end 2011, IRPC had Baht 2,956 million of cash, a drop of Baht 1,814 million. It was a result of a rise of Baht 12,859 million in cash flow from operating activities while spending Baht 7,779 million in investing activities, particularly in investment projects and the planned major turnaround. The net cash outflow from financing

activities amounted to Baht 6,895 million, consisting of Baht 4,665 million in short-term loan repayment, Baht 3,666 million in dividend payment, Baht 1,623 million in interest payment and proceeds from exercise ESOP during the year amounted to Baht 622 million.

Key Financial Ratios	Unit	2011	2010
LIQUIDITY			
Current Ratio	times	2.01	2.72
Quick Ratio	times	0.60	1.06
Net IBD to Equity	times	0.32	0.32
IBD to EBITDA	times	2.58	2.94
PROFITABILITY			
EBITDA Margin	%	4.02	4.11
Net Profit Margin	%	1.73	3.04
Earnings per share	Baht	0.20	0.30
Return on Equity	%	5.41	8.16

Auditor's Remuneration

In 2011, 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 1.53 million non-audit fee consultancy in various projects.

Corporate Governance Report

Dear Shareholders,

The Board of Directors of IRPC Public Company Limited is committed to corporate social responsibility with a focus on striking a balance among all concerned, whether development and value addition of the business in view of investment returns to the shareholders, co-existence, and participation in the development of society and the surrounding communities, with happiness and no conflict, and role of responsibility toward the environment through natural conservation and efforts dedicated to the efficient use of natural resources and energy.

The Board is aware of the importance of corporate governance, since it provides IRPC with sustainable growth, bolsters confidence to all stakeholders, whether shareholders, customers, business partners, creditors, employees, or the public. The Board has assigned the Corporate Governance Committee to monitor the operation of IRPC in strict conformity to corporate governance principles as stipulated in the corporate governance handbook, as well as encouraging the compliance with IRPC's corporate governance principles and code of business conduct in line with the regulations and corporate governance of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). These corporate governance principles should be put into practice by the Board, the Management, and the employees at all levels. The guidelines that reflect major principles are:

1. Accountability toward one's own decision and action with justification of the decision.
2. Responsibility for one's own duties with due competence and sufficient efficiency.
3. Equitable treatment of stakeholders with fairness and justification.
4. Transparency in conducting business and in disclosing corporate information to related parties.

5. Vision to create long-term value for the organization.

6. Business ethics.

In 2011, IRPC regularly and continuously implemented campaigns for corporate governance through communication with all shareholders and stakeholders via VDOs, printed matters, and activities. The Board has upgraded IRPC's corporate governance on a par with international standards by welcoming recommendations from various agencies on its corporate governance management, as well as equitable and fair treatment toward shareholders and stakeholders, the details of which are as follows:

- 1. Filed a membership application to the UN Global Compact** on 21 November 2011 with the recognition and readiness to conduct business according to the 10 principles of the "UN Agreement" in promoting good governance, human rights, labor, environment, and anti-corruption so that business may run parallel with the benefit of stakeholders.

- 2. Monitored the implementation of corporate governance principles** so that IRPC's business may be in line with its corporate governance principles, by which IRPC defines the annual corporate governance action plans, with direct follow-up and assessment of the Corporate Governance Committee. In 2011, the Committee held two meetings to follow up the progress of corporate governance practices, as well as providing recommendations to improve the implementation.

- 3. Appointed a Corporate Governance Working Group** consisting of executives from various agencies, responsible for approving the action plans, the operation, and the activities of corporate governance in line with IRPC's business before submitting to the Corporate Governance Committee. It also acted as a focal point to ensure that the employees concretely implemented them. In 2011, the Working Group convened six times and submitted a performance report to the Corporate Governance Committee.

IRPC has undertaken various projects, based on standards, clear systems and regulations, transparency, ethics, taking into account the role of all stakeholders, as well as responsibility toward society and the environment. As a result, IRPC has won awards from institutes, monitoring agencies, and the public sector, such as the “Petrochemical and Blend Stock Innovation Award” from the Platts 2011 Global Energy Awards, reflecting efficient production management and marketing and taking into account impacts on the community, society, and the environment; the “National Innovation in Economics 2011 Award” from the Minister of Science and Technology, being the first producer in the world to undertake R&D in Green ABS with natural rubber; and the “Crown Standard Award” for the Combined Heat and Power Project (CHP) that reduces more carbon dioxide emission than others in the country. These awards confirm IRPC’s commitment to conduct business with conscience. Moreover, according to the Thai Institute of Directors’ corporate governance survey of listed companies in 2011, IRPC has overall been evaluated as “excellent” for three consecutive years.

To date, IRPC is still committed to upgrading the corporate governance standards on a par with international practices and in line with the objectives of the National Corporate Governance Committee, SET, and SEC, which stress the enhancement of confidence in the Thai capital market to be recognized and competitive at the international level, thus benefiting the country. IRPC has implemented corporate governance principles in strict compliance with SET’s listed companies of 2006 with the following parts:

Part 1 Rights of shareholders

IRPC recognizes the legal rights of the shareholders, including other important matters that the shareholders have the right to decide, to obtain easily accessible, adequate, timely, and complete information through

multiple channels. IRPC has thus defined the policies on the rights of shareholders, the promotion of the use and non-violation of the rights of shareholders as follows:



1. Shareholders’ Meetings

- IRPC schedules an annual general meeting of the shareholders (AGM) within four months of the annual closing date of its accounting books. For urgent matters of shareholders’ interest or requiring shareholders’ approval, the Board can call an extraordinary meeting.

For urgent matters with the addition of the meeting agenda, IRPC must notify the shareholders to respect their rights or benefit at least seven days ahead of each meeting date, as well as distributing relevant documents in advance on the website before sending the documents.

In 2011, IRPC announced the scheduled date for the 2011 AGM on 15 February 2011, 14 days in advance, and set the Record Date to entitle rightful shareholders may receive the dividend on 2 March 2011 following the Board’s agreement to hold the AGM on 5 April 2011. The Board also agreed to allow the shareholders to join the meeting and receive their dividends, and to close the shareholder’s roster on 2 March 2011. The AGM took place at Vibhavadi Ballroom, Sofitel Centara Grand Bangkok, Chatuchak district, Bangkok. During the year, no extraordinary meeting of the shareholders was called.

2. Delivering Meeting Notices

- The meeting invitations, agenda, comments of the Board, proxy forms as stipulated by the Ministry of Commerce, as well as accompanying documents, were made available on IRPC's website on 4 March 2011, 30 days ahead of the meeting date.

- IRPC submitted a meeting invitation to all shareholders, stating clearly the meeting venue, date, time, meeting agenda, essential information for consideration, the Board's opinions, minutes of the previous meeting, annual report, proxy forms with complete instruction, accompanying documents for proxy as stipulated by law, and other accompanying documents sufficient for shareholders' decision to vote, on 22 March 2011, at least 14 days ahead of the meeting, thus allowing shareholders to receive sufficient, accurate, complete, and transparent information necessary for decision-making. The invitation was announced through one Thai and one English newspaper for three consecutive days from 29 to 31 March 2011.

3. Facilitating Shareholders

IRPC facilitated all shareholders in a fair manner by arranging for officers to welcome and provide them with sufficient information on document checking and registration. Registration through a barcode system began at least two hours ahead of the meeting. Moreover, IRPC arranged the meeting at an easily accessible venue of adequate size with sufficient facilities to welcome the shareholders.

4. Conduct of Shareholders' Meetings

- IRPC must in no way deprive the right of shareholders to attend the meeting. All shareholders can exercise their rights to attend the entire meeting.

- Before the meeting, the master of ceremonies explains all the meeting procedures and regulations such as the opening ceremony, the procedure of one vote per one share, ballots, as well as vote counting of the

shareholders who must vote for each agenda according to IRPC's regulations.

- The Chairman gave an opportunity for major and minor shareholders to witness vote counting by volunteering, allowed the attendees to protect their own interest by making queries, presenting opinions and suggestions, and voting for important issues having impacts on IRPC, such as appointment or removal of directors, appointment of auditor and compensation, policy on dividend payment, and approval of special transactions. There were six shareholders who made queries and presented opinions.

In 2011, the Board of Directors and the Management team who attended the AGM were:

Board of Directors

1. Mr.Prasert Bunsumpun	Chairman
2. Mr.Aree Wongsearay	Vice Chairman/ Independent Director
3. Mr.Prajya Phinyawat	Director/ Executive Director/ Corporate Governance Committee Director
4. Ms.Sopawadee Lertmanaschai	Director
5. Mr.Chitrapongse Kwangsuksith	Director/ Nomination and Remuneration Committee Director
6. Mr.Lersuk Chuladesa	Director
7. Mr.Somma Khowkachaporn	Director/ Executive Director/ Corporate Governance Committee Director
8. Mr.Chulayuth Hirunyavit	Independent Director
9. Mrs.Virabongsa Ramangkura	Independent Director

10. Mrs. Puntip Surathin Independent Director/
Audit Committee Director
11. Mr. Cherdpong Siriwit Independent Director/
Chairman of Audit
Committee
12. Ms. Jantima Sirisaengtaksin Independent Director/
Chairman of Corporate
Governance Committee
13. Mr. Woothisarn Tanchai Independent Director/
Executive Director/
Nomination and
Remuneration
Committee Director
14. Mr. Pongsvas Svasti Independent Director/
Audit Committee Director
15. Mr. Pailin Chuchottaworn Director/ Executive
Director/ President

Management team

1. Mr. Atikom Terbsiri Senior Executive Vice
President, Corporate
Strategy and Planning/
Acting Senior Executive
Vice President, Port and
& Asset Management
Business Unit
2. Mr. Wirat Uanarumit Senior Executive Vice
President, Corporate
Accounting and Finance
3. Mr. Nuntachai Prapawatwech Senior Executive Vice
President,
Commercial and
Marketing
4. Mr. Sahaschai Panichapong Senior Executive Vice
President, Petrochemical
and Refinery Business
Unit

5. Mr. Manit Suthaporn Counselor/Senior
Executive Vice
President, Corporate
Legal/Acting Senior
Executive Vice President,
Corporate Human
Resources and
Administration

Auditors

1. Ms. Nangnoi Charoenthavesub Auditor,
Pricewaterhouse
Coopers ABAS Ltd.
2. Ms. Ranchana Kaeorittidet Auditor,
Pricewaterhouse
Coopers ABAS Ltd.

Legal adviser

1. Mr. Bunleng Phuchongprawet Legal adviser,
Phuchongskun Law
Office

5. After the Shareholders' Meeting

IRPC duly submitted the minutes of the meeting to SET on 19 April 2011, or 14 days after the meeting. IRPC made available complete minutes of the meeting, vote tallying details, and queries from shareholders in each agenda, as well as videotapes on IRPC's website so that the shareholders may get immediate reports and other interested persons may have the opportunity to learn about IRPC. The shareholders and general investors can contact IRPC for information, explanation, or needs to the Investor Relations Department via:

- (1) Telephone: 02 649-7384
- (2) Electronic mail: ir@irpc.co.th
- (3) Facsimile: 02 649-7379.

Part 2 Equitable Treatment of Shareholders

IRPC values and treats all shareholders with equity and fairness through the following actions in 2011:

1. It arranged for transparency and efficiency in the AGM by conducting the meeting and vote according to the agenda as specified in the meeting invitation and not adding any agenda or important information without notifying the shareholders in advance to allow the shareholders ample time to study the information before making decision.

2. It facilitated shareholders who cannot attend the meeting by assigning any independent director, the chairman, a director, or any person to attend the meeting in their place. Four independent directors are recommended for selection in the proxy form with instruction for shareholders to vote on each agenda.

3. It provided voting tickets for the shareholders for each agenda separately so that they can vote as appropriate. The voting tickets are then collected and calculated together with the votes cast before in the proxy form. The votes are then announced in the meeting room and filed for future inspection.

4. It prepared complete minutes of the meeting, comprising important information such as the meeting resolutions and the results of the votes dividing into for, against, or abstained in each agenda, queries, responses, explanations, and comments, and submitted them to SET within 14 days after the meeting, as well as disseminated the minutes of the meeting together with the videotapes on IRPC's website so that the shareholders can check and refer to them.

5. To ensure the shareholders that the directors, the management, the employees and related inside persons will not reveal the inside information to the public for their own interest, the Board has incorporated the "Trading principles" in IRPC's corporate governance

principles which all employees sign as acknowledgment to ensure fairness to the shareholders and notify the date of non-trading to the Board, the management, and related persons such as spouses and children under legal age, forbidding them to reveal inside information that may cause changes in IRPC's share prices and not yet disclosed to the public, in violation to section 241 of the Securities and Exchange Act B.E. 2535. The directors and the management must also report their own asset holdings to SEC when first assuming their position and report within three working days after every purchase, sale, transfer, or receive transfer of assets.

6. It facilitated all shareholders with equity and fairness, disregarding gender, race, religion, major or minor shareholding, for access to IRPC's information via SET's channel and on IRPC's website at www.irpc.co.th in both Thai and English.

7. It facilitated minor shareholders to exercise their rights to put forward an agenda in advance of the AGM via post, facsimile, or IRPC's website between 1 and 31 December 2010, and at the same time disseminated the regulations to exercise the rights via SET's channel and IRPC's website. However, in 2011, no shareholders submitted such agenda during the period.

Part 3 Roles of Stakeholders

IRPC recognizes the needs of all stakeholders and is committed to providing maximum benefit to all with propriety and fairness for common sustainable progress. IRPC encourages its employees to take care of stakeholders. At the same time, it allows stakeholders to contribute to IRPC's growth such as recommendations of shareholders, comments of customers, the media, or financial institutions.

Shareholders : IRPC is determined to create sustainable value added to its business and to be recognized on such matter. To this end, IRPC has set up an internal control system, reliable accounting and auditing to

provide investment returns that satisfy the shareholders the most. During the Great Floods of 2011, IRPC executed the Business Continuity Management (BCM) Project to avoid business disruption by moving departments crucial to continuity to Rayong such as accounting, finance, and marketing.

Customers/Consumers : IRPC is committed to continuously developing and upgrading goods and services by designing a system of timely, reliable purchase/sale and services to protect the interest and prevent risks to the customers' business. It will in no way abuse consumers under the Consumers' Law and the Competition Law and it will undertake innovation to develop product quality to address the quality of life of consumers and environmental protection, as well as satisfying customers by taking care of quality of goods and services before and after sale.

To facilitate business dealing with customers that saves time, reduce mistakes in document handling, and in time for the volatility of the market, IRPC has designed the information technology to support purchase/sale services online 24 hours a day, such as IRON (IRPC Oil on Net), IDEAL (IRPC Digital E-commerce Accounting and Logistics), and iPORT (IRPC Intelligent Port Services). To this end, customers can conduct integrated businesses and can check the progress of business anywhere, anytime. Moreover, IRPC has introduced the "POLIMAXX" application on iPhone to provide information and news of IRPC's products and related businesses.

Apart from goods and services development, during the Great Floods of 2011, IRPC eased the suffering of the customers through the "IRPC Volunteers" Project to help and prevent damage, such as providing warehouses for customers' goods and raw materials, counseling, and sending a team of electricians, mechanics, and IT experts to help flood victims.

Business partners: IRPC adheres to its code of business conduct in dealing with business partners and contractual parties with transparency and accountability. All agreements or contracts must be based on fairness and commitment of success through good, continuous, and long standing business relationship. IRPC has designed a "Procurement code of conduct" to ensure that the employees adhere to them with honesty, integrity, and transparency.

Competitors : IRPC adheres to the principles of free enterprise and promotes free trade by complying with good competition framework, ethics, compliance to law, and code of business conduct in a fair manner. IRPC does not seek information that is its competitors' trade secret by dishonest means. In the past, IRPC was never engaged in any conflict with its competitors.

Creditors: IRPC honestly and strictly abides by the contracts with its creditors and financial institutions. IRPC properly performs its duties to all creditors under contract conditions, not omitting information or facts that may damage creditors. If IRPC cannot respect the conditions of the contracts, it must notify its creditors in advance to jointly solve the problems.

Employees : IRPC recognizes that "employees" are its vital factor of progress. Thus, in order for the employees to progress and grow, IRPC has designed concrete career development paths for them so that they may have the opportunities to upgrade their knowledge, capability, potential, and can adapt themselves to the changing and volatile business environment and increasing competition. IRPC provides equity to all employees in various positions without discrimination on gender, age, religion, or handicap. IRPC sets proper compensation, welfare, and incentives comparable to leading peer companies to maintain and stimulate employees. IRPC has the policy of being a knowledge-based entity, regularly promoting and developing the employees' potential, as well as supporting their innovation to increase the value added to the

business, society, and environment, including granting them scholarships to develop and improve their potential.

IRPC organized the annual Presidential Awards for distinguished employees or teams who dedicated their knowledge to the company, provided role models, dedicated themselves to the public or community, as well as society and the environment. The awards are divided into:

1. Distinguished employee in behavior
2. Distinguished employee/team in the value added to the organization
3. Distinguished employee/team in safety
4. Distinguished employee/team in excellent relations with outside communities.

Moreover, IRPC stresses the importance of communicating information concerning its business to all employees and provides channels for the employees to directly present their views to the executives such as:

- The President meets employees every quarter.
- An employer committee is set up to coordinate with employee representatives to discuss welfare or improvement to benefit employees.
- Support its labor relations, trade union office, and budget of various activities of the union.

Recognizing the safety of its employees, IRPC has prepared equipment and tools to facilitate their work and create a good working environment. It has also set up safety standards, occupational health, and disciplines at work such as training on quality, safety, and occupational health, “5 Sor” activities and work environment, a Big Cleaning Day, an annual fire drill and prevention, and emergency plans for employees. All employees go through annual medical check-ups for special and risky diseases, or those specific to their areas of work. Moreover, IRPC has arranged for life and accident insurance and proper compensation plans to cure, compensate, or replace. In case of handicaps

obliging to end employment, IRPC has arranged for provident funds which it contributes to the employees at a progressive rate according to the time the employees have spent with IRPC to secure good quality of life after the termination of work.

During the Great Floods of 2011, IRPC recognized the safety of life and property of its employees and provided assistance to the flood victims as follows:

- IRPC with its employees and trade union helped fill sandbags so that affected employees may use them as protection for their houses.
- IRPC assisted its employees and families affected by the floods by providing money for expenses and lodging.
- IRPC coordinated to find lodging for employees in emergency cases.
- IRPC provided rescue equipment such as automobiles and boats, along with rescue teams, and provided the telephone numbers of various rescue centers on IRPC’s intranet so that the employees could ask for assistance.
- IRPC set up a policy for supervisors to consider allowing employees who had difficulty coming to work to work at home, including consideration to approve special leave as non-leave as appropriate.
- IRPC organized a “Friend helps friend” volunteer project, as well as supporting cleaning equipment for the homes of affected employees after the floods.

Society : IRPC has a unit dedicated to communities, society, and the environment. It provides assistance, supports and promotes quality of life, develops work/projects for the well-being of society, especially communities surrounding the factory to minimize impacts from production, and fosters joint understanding under the “Care Share Respect” approach, by setting clear objectives and preparing short-term and long-term action plans for activities dedicated to society and the environment, consisting of four main dimensions,

namely the environment, culture and religion, education, community development, and quality of life.

Moreover, IRPC never ignores assistance in crises or urgent needs from the communities because it deems itself part of the community. During the recent floods, IRPC dedicated both body and mind to assist the people, communities, and society through various projects and activities as follows (additional details of the activities are under CSR):

- IRPC and PTT Group donated Baht 20 million in the “Collective Thai efforts to help flood victims” event. Prime Minister Yingluck Shinawatra, who presided over the event, received the donation on 14 September 2011 at Santi Maitree Building, Government House.

- IRPC and PTT Group organized the “PTT Group with collective Thai efforts to assist flood victims” Project by helping those affected in various provinces, providing mobile service vehicles, floating toilets, providing services to repair electrical appliances, agricultural equipment, changing lube oil, checking gas cylinders, and sale of PTT gas cylinders at special prices, organizing activities such as “garbage for eggs” to reduce the amount of garbage in communities and stimulate conscience on sorting rubbish and junks for recycling, cooperating with students of IRPC Technological College to build the “Little duck makes warning signal” equipment, and so on.

- IRPC with PTT Group donated plastics to assist flood victims, by which IRPC donated 10 tons of polypropylene (PP) to Srithai Superware Public Company Limited who, with four partners (namely Thai Rung Union Car Public Company Limited, Thai Plastic Bags Industries Company Limited, Vandapac Company Limited, and King Mongkut’s University of Technology Thonburi) made 7,500 mobile toilets both with and without a backrest and 50 boats (each 3x2 meters) so that PTT Group can distribute to those affected by the floods.

- IRPC donated plastics through the Board of Investment to Aeroklas Company Limited to build boats

free of charge and donated them to the Metropolitan Police Bureau Chief to distribute to those affected by the floods.

- IRPC with Plastic Industry Club, Federation of Thai Industries, PTT Global Chemical Public Company Limited, and SCG Chemicals Company Limited donated 42 tons of plastics, valued at Baht 2.7 million to the Minister of Natural Resources and Environment to produce 150,000 water containers (5 liters each) to flood victims.

IRPC is aware that for its smooth progress and sustainable growth, it must happily co-exist with the surrounding communities and society without conflict. Employees, as citizens, can always take part in the responsibility toward society and the environment. IRPC has formulated a policy for them to show their “volunteering spirit” by choosing an annual activity that benefits society and the environment which they are personally interested in or skilled for.

Environment and Safety : IRPC is determined to conduct business in parallel with responsibility toward society and a sustainable environment. It has defined a “policy on responsibility toward society and environment” by focusing on developing IRPC’s growth in parallel with development of the quality of life of people in society and a clean and safe environment. It has also appointed a “Strategic group in operating business” in the following fields, namely (1) Economy (2) Participation of stakeholders and (3) Environment to integrate the management of business, the environment, communities, and society for maximum efficiency. An executive at the level of Senior Executive Vice President is the strategic group leader, illustrating the significance of this issue.

IRPC complies with safety and environmental laws with strict guidelines for safety in the workplace, prepares a preventive action plan, controls production so that it does not impact the environment, designs safety measures in factories and society, prepares plans and

organizes regular drills in case of accidents in line with international practices, organizes training for employees and outsourced staff responsible for safety, oversees consumption of energy and natural resources and efficient use of waste, promotes productivity activities, as well as implementing employees' recommendations.

IRPC recognizes the importance and preparation of explanation to forge understanding, provide timely and accurate information to the communities, thus reducing potential conflicts from the community's misunderstanding. Moreover, IRPC has campaigned, supported and invited communities, especially youths, to participate in activities to protect the environment, since it is the foundation of the quality of the community and happy co-existence.

Government Sector and Related Agencies : IRPC strictly complies with related laws, such as quality of life, the environment, safety, labor, accounting and tax management, as well as government announcements related to IRPC's business, and cooperates to support government activities, such as organizing a Thai Chamber of Commerce seminar, presenting opinions as a petroleum, refinery, and petrochemical entrepreneur so that the government can use the information to improve rules, regulations, and management to increase the efficiency of the overall domestic industry.

Respect of Copyrights and Intellectual Property Rights

IRPC respects copyrights and intellectual property rights of others. It campaigns, promotes, and raises awareness for its employees to strictly comply with the Copyright Act B.E. 2537 (1994) by forbidding them to use illegal programs or software. It has also announced a policy on "Regulations on the use of computer and networking systems" for the executives and employees to implement.

Respect of Laws and International Human Rights Principles

The Board, the Management, and all employees must strictly respect laws, traditions, cultures and international human rights principles according to the Universal Declaration of Human Rights as part of their work. They will also by no means support activities that violate

the international human rights principles, IRPC being a member of the UN Global Compact on human rights.

Anti-Corruption

IRPC is committed to business operation based on honesty and transparency. Apart from the corporate governance handbook with detailed guidelines and anti-corruption measures, it has prepared "Guidelines on receiving and giving gifts, assets, or other benefits" in the corporate governance handbook and code of business conduct to ensure strict compliance by the Directors, the Management, and all employees.

Whistle-Blowing and Complaints

IRPC institutes channels for whistle-blowing or complaint-making that stakeholders are or may be affected by the damage caused by IRPC's operation, or IRPC employees are involved in unlawful or dishonest acts, corruption, unequitable treatment, and careless acts, by directly submitting the case or via post to:

Chairman of the Audit Committee, Vice President,
Internal Audit Department
IRPC Public Company Limited
6th Floor, Energy Complex, Building B
555/2 Vibhavadi Rangsit Road, Chatuchak,
Bangkok 10900
Telephone 02 649-7000 Facsimile 02 649-7982

When IRPC has received the matter, the Internal Audit Department will register the complaint, consider the content of the complaint, and verify the fact. If irregularity is involved, the Complaint Inspection Committee (the "Inspection Committee") will be set up with representatives of related agencies as members.

If the results of the inspection proved non-verdict, the Inspection Committee will close the case according to the procedure. If the results of the inspection proved verdict (valid), the Committee will proceed according to the discipline or law, depending on the case. Then, the Committee will report and seek approval from the President to take disciplinary or lawful action, compensation for the affected persons, or rehabilitation of the damaged situation, depending on the case. When the

President approves it, the Committee will notify the affected persons and notify related agencies to provide compensation to the affected persons and restore the situation to its former state. The Internal Audit Department will make a summary and report to the Audit Committee, the President, and related executives.

Part 4 Information Disclosure and Transparency

Since IRPC is committed to transparent business, it stresses the importance of proper, sufficient, complete, transparent, clear, accurate, reliable, and timely information disclosure, whether financial or non-financial, information to all stakeholders, presented in a form and language that is concise, easy to understand so that the stakeholders can use them for efficient decision. Information disclosure is a vital factor to ensure the confidence of investors, display honesty, and act as a mechanism to check IRPC's operation, as well as to ensure the confidence of stakeholders, as follows:

- It prepared financial statements, balance sheets, profit and loss accounts, the external auditors' report, as well as the Board's annual report to be presented to the AGM for the approval of the annual report and form 56-1. It also distributed the information on regularly updated IRPC's website.

- Apart from the financial and auditing reports, IRPC prepared a report on the assessment of the status and trends of its business with a simplified summary, a report of its own responsibility for financial reports, presenting it together with the external auditor's report, a management discussion and analysis, a report on the meetings attended by Directors, and/or by committee members, by comparing the number of the meetings of the Board and/or committees for each year.

- It prepared a report of the policy and criteria on compensation to Directors and senior executives in the annual report as well as a report on changes in asset holdings and connected transactions under SEC's regulations. The shareholding structures of IRPC and its subsidiaries are also clearly incorporated in the annual report.



Apart from the disclosure of normal operation, shareholders will also receive timely updates if it has impacts on IRPC's business, whether positive or negative. IRPC also distributes information to stakeholders on a fair basis via convenient, timely, and popular channels, thus allowing shareholders and stakeholders to have proper and efficient access to the information.

This year IRPC provided channels and responsible persons for information disclosure as follows:

- Direct

IRPC arranged for the Investor Relations Department to be responsible for providing convenient, timely, and efficient information to shareholders via SET's communication channel, as well as trying to increase channels to provide shareholders with up-to-date information, coordinating with investors, institutions, creditors, asset analysts, and shareholders to provide information on IRPC's performance and investment regularly through Roadshows, Analyst Meetings, Company Visits and Plant Visits. The Compliance unit was set up to ensure that IRPC's operation complies with the regulations of SET and SEC. There was also a public relations unit to communicate and distribute IRPC's information and news as well as to continuously explain to the media and the public. The quarterly Newsletters are delivered to all shareholders to ensure that they are aware of IRPC's movement and activities.

In 2011, the activities of the Investor Relations Department were listed below:

Activities	Times
Roadshows	11
Analyst Meeting	4
Company Visits	44
Money Expo	1
Plant Visits*	1

*Between 11-12 January 2012, the visit was adjourned due to the Great Floods.

- Indirect

IRPC provided important information via its website and regularly updated the information under the title “Investor information” such as through SET’s news, together with IRPC’s share prices. Shareholders, investors, analysts, and interested parties can receive IRPC’s additional information via IRPC’s website at www.irpc.co.th or directly contact the Investor Relations Department through:

- (1) Telephone: 02 649-7384
- (2) Electronic mail: ir@irpc.co.th
- (3) Facsimile: 02 649-7379.

director. Among them are eight independent directors who possess knowledge, capability, and experience. Each director is an expert in a field (or more) essential to the IRPC’s business. At least three directors are knowledgeable in petroleum business, at least one director knowledgeable in law, and at least one knowledgeable in accounting and finance.

- Recruitment of the Board

(Details of the organizational structure under the title “Appointment and termination of the Board of Directors”).

- Chairman of the Board

The Chairman and the President are two separate persons with clear separate roles and duties. Although the Chairman is not an independent director, he performed his duties and set IRPC’s business strategies without conflicts of interest, with leadership, and efficiently and effectively monitored the operation of the Management as set by IRPC’s objectives. The Chairman did not participate or intervene in the routine work, which is under the President’s duties as assigned by the Board.

- President

The President is appointed because of his vision, knowledge, and ability. He is assigned management authority under the regulations and resolutions of the Board meetings. He also acts as the Board Secretary to efficiently conduct Board’s and shareholders’ meetings.

According to the resolutions of its meeting No. 11/2011

Part 5 Responsibilities of the Board of Directors

The Board of Directors consists of people with knowledge, expertise, and experience, able to efficiently formulate IRPC’s strategies and vision, as well as performing duties with dedication. It is responsible for business operation, monitoring IRPC’s operation through the Management that has been selected and nominated to be assigned in any particular field, appointing sub-committees to manage, as well as appointing auditors and a Company Secretary responsible for conducting meetings and complying with the law.

1. Organization, Composition, and Recruitment of the Board

- Composition of the Board

This year the Board consists of 17 directors, with 16 non-executive directors and one executive

of 18 October 2011, the Board appointed Mr. Atikom Terbsiri Director and President, effective 18 October 2011, to replace Mr. Pailin Chuchottaworn, who was appointed Chief Executive Officer and President of PTT Public Company Limited.

- Independent Directors

(Details of the management structure under the title “Independent Directors”).

- Company Secretary

(Details of the management structure under the title “Company secretary”).

2. Sub-Committees

To ensure prudence and efficiency in screening significant operation, the Board has set up four sub-committees (or simple “committees”) to screen special issues with prudence and efficiency according to the roles and duties as assigned by the Board, with regular reporting of the results, and report of the activities in the past year to the shareholders in the annual report.

1) Executive Committee

The appointed Executive Committee consists of at least three directors of the Board, having expertise in the petroleum and petrochemical business, with the authority and duties to consider and screen annual business plans and budgets to submit to the Board, establish IRPC’s investment policies in line with IRPC’s policies, and approve investment criteria and investment proposals according to IRPC’s regulations, consider and conduct important issues concerning IRPC’s operation, screen and make recommendations on all types of work before submitting to the Board, appoint directors to its subsidiaries or joint-venture companies according to the share ratios or the contracts between shareholders, as well as considering any issues assigned by the Board. The Committee is set to convene once a month or as necessary. In 2011, it convened 12 meetings.

2) Audit Committee

The Audit Committee has at least three independent directors, at least one of whom must possess knowledge in accounting/finance. The Committee is responsible for auditing and checking the reliability of financial statements, establishing internal control and internal audit systems, as well as proper and efficient risk management for IRPC and its subsidiaries, recommending audit of any transaction deemed necessary and important, as well as recommending the improvement of the internal control system, the risk management system, and reporting the performance to the Board, which convenes once a month or as necessary. In 2011, the Audit Committee convened 14 times.

3) Nomination and Remuneration Committee

The Nomination and Remuneration Committee has at least three directors, at least one of whom must be an independent director. The Committee is responsible for selecting appropriate people to be appointed as directors and the President by defining efficient and transparent recruitment criteria, determining compensation guidelines to the Board and the President based on fairness and reason, before submitting to the shareholders’ meeting for approval. In 2011, the Committee convened five times.

4) Corporate Governance Committee

The Corporate Governance Committee has at least three directors, at least one of whom must be independent director. It is responsible for recommending guidelines, counseling, answering queries on corporate governance to the Board, the President, and the shareholders, ensuring compliance with related regulations to develop IRPC’s business toward sustainable growth in balanced parallel with society and environment. In 2011, the Committee convened two meetings.

3. Terms of the Directorship

The Board determines the terms of directors and committee members of three years under the Public Limited Company Act.

To ensure efficiency in performing their duties, the Board sets the limit for the number of listed companies where each director is serving as a director at five. IRPC discloses the information of the directorship of other companies in the annual report and in Form 56-1.

4. Separation of Duties and Independence of the Directors

The Board has defined the authority and duties of the Directors and the Management in writing to ensure efficiency of monitoring, checking, and assessing their performance as follows:

- It has designed a structure to clearly separate the roles and duties between the Board and the President to ensure efficient management. The Board's duties consist of formulating strategies, vision, missions, as well as defining the major roles, duties, and responsibilities in a proactive approach to meet IRPC's business objectives. It considers and approves issues crucial to IRPC's operation, such as vision, missions, strategies, financial objectives, risk management, action plans and budgets as primarily screened by the Management Committee, comprising top executives namely the President, Senior Executive Vice Presidents and Vice Presidents from various fields before submitting to the Board and the President, as well as establishing business plans that efficiently and effectively meet IRPC's strategies and objectives. However, IRPC organizes Board meetings without the attendance of the President at least once a year, and organizes the meeting of the committees at least once a year as well.

- The Board maintains its independence in decision-making, analysis, comments, and votes, without being pressured by vested interest or conflicts of interest (since this practice will result in the lack of independence and neutrality), so as to defend the interests of IRPC and all stakeholders. IRPC stresses the importance of potential conflicts of interest and thus sets a policy for directors who lack independence not to decide on issues of their vested interests.

5. Roles of Directors

The Board recognizes its duties to monitor the operation for IRPC's maximum benefit. The Board's roles, duties, and responsibilities must take into account the compliance with the law, company regulations, AGM resolutions and corporate governance principles. To this end, the Board must operate with honesty, integrity, ethics, responsibility, transparent information disclosure, monitor the work of the direction to ensure that it meets the objectives and provides maximum benefit for shareholders and stakeholders so that IRPC can efficiently strengthen its corporate governance. The Board has the following crucial roles:

- **Policy and Business Strategies**

The Board defines policy vital to the business, such as vision, mission, strategy, financial goals, risk management, business planning, and budget proposals, and is responsible for overseeing the business administration and operation to ensure that the management conforms to the approved plan and manage resources efficiently and effectively.

- **Value Creation to the Business**

The Board is responsible for drawing up a policy on enterprise risk management while ensuring that a system or procedures for risk management are in place in order to strategically add value to the Company. There must be measures and methods to reduce impacts on the business. The Board is also required to provide recommendations to enhance business performance.

- **Corporate Governance**

The Board must fulfill its duties to the best of its ability and ensure that business operations conform to the laws, objectives, regulations, and direction decided at the shareholders' meetings. The Board also makes sure that good corporate governance and code of conduct are being practiced, as well as overseeing the smooth operation and independence of the Company's internal controls. The Board makes sure that essential information about the Company is disclosed. At the same time, it is the responsibility of the Board to

protect the rights and benefits of shareholders and treat them equally, and to oversee potential conflicts of interest. These are explained under the section “Connected Transactions” to ensure the fair treatment of all shareholders and maximum benefit to the Company. In addition to encouraging employees to understand, recognize, and practice good corporate governance, the Board should provide support for the integration of the internal control system and corporate governance.

- Responsibilities for society, the environment, and human rights

It is an essential requirement that the Board align all business operations with social and environmental responsibility to reduce industrial pollution, as well as promoting the sustainable livelihood of Thai society.

This starts with improving the livelihood of the local community around the plant, participating in problemsolving to reduce impacts on the community, respecting human rights, and using fair labor practices, so that the community and the plant can co-exist in the long term.

- Innovation

The Board must define policy that provides strong direction and establish an organizational climate that will encourage staff’s innovative capability in order to sustainably develop innovative products to yield higher values, better processes and services, and greater business opportunity to the Company.

- Monitoring and control mechanism

The Board has designed monitoring and control mechanisms to ensure the transparency of business operation and bolster confidence of shareholders, investors, and stakeholders as follows:

- Conflicts of interest

The Board has defined the policy on conflicts of interest in the corporate governance handbook and code of business conduct. Moreover, it has complied with SEC’s recommendations on the guideline to approve the directors to engage in trade agreements between IRPC

or its subsidiaries and the directors, the management, or related persons, in compliance with the modified Securities Act. In approving connected transactions, the Board has monitored the conformity to the regulations and procedures with prudence, reason, and independence, transparency, taking into account IRPC’s best interests. The directors or the management involved in the transaction that may cause conflicts of interest cannot participate in the decision of that particular transaction and this is to be duly noted in writing in the meeting report.

- In considering the approval of connected transactions, the Board has arranged for information disclosure of vested interests of the directors, the Management, and related persons, values of the transactions, comments of independent directors, and other necessary information so that the directors/shareholders can decide for IRPC’s general benefit.

- The Board has set guidelines for the directors or the Management who have vested interests or related employees not to participate in the decision-making process concerning business dealing between IRPC and those stakeholders or related persons.

- On recommendations of the Corporate Governance Committee, the Board requests that the directors and the Management reveal the list of transactions with potential conflicts of interest regularly every year.

6. Internal Control and Audit

- The Board has continuously stressed the importance of internal control by assigning the Audit Committee to monitor the assessment of the internal control system to ensure that the system is adequate and proper for business operation and effective for work, and report to the Board and the shareholders.

- Arrange for Internal Audit to be IRPC’s independent unit with the duties and responsibilities of assessing the adequacy and effectiveness of the internal control system or activities under the annual audit plan as approved by the Audit Committee, and regularly

report to the Audit Committee to support the effectiveness of monitoring process, risk management and control by complying with ethics and internal audit competency standards to maintain independence and quality of internal audit.

Risk Management

- The Board recognizes the importance of risk management. IRPC set up a Risk Management Committee, comprising top executives, responsible for monitoring and managing risks, assessing risks with impact on IRPC's business operation and strategic objectives, preventing or reducing risks to acceptable levels, including following up the implementation of risk management plans or regular action plans, and submitting a report to the Board.

Use of Inside Information

IRPC has set a policy for the directors, the management, and the employees concerning the forbidden disclosure of material information not yet revealed to the public for the benefit of oneself or others, including the purchase and sale of IRPC's assets as follows:

- Prevent unlawful acts committed by IRPC's employees and their families, or those in possession of information not yet revealed to the public, IRPC forbids those persons to purchase/sell shares or invite others to purchase or sell or offer to purchase or offer to sell the shares of IRPC, its subsidiaries and/or its affiliated companies as listed in SET, whether by themselves or through agents while possessing the information not yet revealed to the public. IRPC and SET consider that these acts are meant to speculate or create undue advantages for certain groups.

- Notify the Board, the Management, and related parties to prepare and submit the report of their own asset holdings, as well as those of their spouses and children under legal age, when first assuming their position and report on the change in asset holdings every time within three days when there is purchase, sale, transfer, or receive transfer of IRPC's asset, to

SEC under section 59 and section 275 concerning punishments of the Securities and Exchange Act B.E. 2535 (1992).

- Classify IRPC's confidential information by determining the level and limitation of access to the information not yet revealed to the public by establishing the need-to-know basis. It is thus the duties of the owner(s) of the information or the one(s) in possession of the information that is not yet revealed to the public to strictly comply with the procedures of keeping IRPC's confidential information as well as ensuring that related persons do the same. Violators must be punished by breach of discipline and/or by law, depending on the case.

7. Board Meetings

Board meetings are set in advance every year to allow time for the directors to attend, by arranging for the meeting at least once a month or more in case of necessity, emergency, or special cases for efficiency and timeliness of IRPC's business, with the Company Secretary responsible for preparing documents and venues, and coordinating each meeting. Each director must receive in advance the information on the date, agenda, and information of the meeting for sufficient study.

- The Board must completely dedicate their time and take interest in IRPC's operation and be ready to regularly attend the meetings as set in advance by IRPC, or as necessary. The Company Secretary coordinates the readiness, prepares meeting documents, and sends meeting invitations. For the meeting to proceed, the number of the attending directors must consist of at least half of all directors.

- If a director is absent from the meeting three times in a row without good reason, he/she is considered not wishing to continue to assume the position. If a director cannot attend the meeting, he/she must notify the Chairman in writing in advance.

- The Chairman must ensure that the Board has allocated sufficient time for the executives to present

information and for the Board to discuss, make queries, or comments on important issues.

- The Chairman defines clear measures to ensure that the directors receive related information at least seven days in advance, sufficient time to study, consider, and correctly decide at each Board meeting, except at an emergency meeting.

- The Board can ask for accompanying documents, information, advice, and services concerning IRPC's operation from top executives, with the Company Secretary acting as coordinator, for each meeting. If necessary, the Board can seek independent opinions from outside adviser(s), on IRPC's expense.

- The director who may be involved or have vested interests in any agenda must abstain from voting and/or abstain from making comments on that agenda, or leave the meeting room.

- After the meeting, the Company Secretary prepares the minutes of the meeting with complete and clear essences, including the resolutions of the meeting, the comments of the directors, and the resolutions of the directors for approval at the next Board meeting, signed by the chairman of the meeting, with systematic filing in the forms of hard copies and electronic files, with a control system that cannot be changed without going through the Board meeting.

- The Board has the policy of asking non-executive directors to convene among themselves without the attendance of the Management at least once a year and the meeting of independent directors among themselves at least once a year.

8. Compensation to the Board and the President

Due to conflicts of interest, the Board and the President cannot determine their own compensation. It is thus under the consideration of the Nomination and Remuneration Committee, which submits their assessment to the Board for approval, then by the shareholders according to their performance.

Compensation to the Directors

- The Nomination and Remuneration Committee determines the structure/composition of the compensation to directors as fitting their responsibilities and in line with their performance, as sufficient incentives to induce and maintain quality directors or comparable to the same industry. The structure/composition of the compensation is clear, transparent, simple, and submitted to the Board, which then seeks approval from the shareholders, by which the shareholders have the right to determine the annual compensation to the directors in a transparent manner at the AGM.

- The Board reveals the form or nature of compensation, the amount of compensation for each director, as well as compensation received for serving as directors in subsidiaries according to their positions and duties, showing the linkage with the policies as set in the annual report.

In addition, compensation for the Board of Directors can be compared to the average mean of companies in Resources sector, according to the 2011 Thai Directors Compensation Survey by Thai Institute of Directors (IOD);

- Compensation for the Chairman of Board of Directors is 5% lower and that for the Executive and Non-Executive Directors is 3% lower than mean. Compensation for the Chairman of Executive Committee is 13% higher and that for the Executive Directors is 6% higher than mean due to volume and complexity of the Company's business and total numbers of the meetings arranged for gearing directions and strategies to catch up with dynamic circumstances.

Compensation to the President

- The Board arranges for the annual assessment of the President's performance by taking into account IRPC's performance reflecting the President's capability and management ability, work performance against the plan/goals, management, and so on, as assessed by the Nomination and Remuneration Committee before submitting to the Board for consideration.

9. Self-Assessment of the Board

IRPC's corporate governance principles stipulate that the Board must undertake self-assessment at least once a year to allow the Board to review its own performance, problems, and obstacles in each year by dividing the assessment of the Board into three forms, namely 1. Assessment form of the Board's performance 2. Assessment form of self-assessment, and 3. Assessment form of cross-assessment of other directors.

The assessment of the Board's performance in 2011 had the following criteria:

Over 85%	=	"excellent"
Over 75%	=	"very good"
Over 65%	=	"good"
Over 50%	=	"average"
Below 50%	=	"improvement required"

The summary of the general assessment by the Board is as follows:

- **Assessment of the Board of Directors** consisting of four assessment dimensions:

1. Board Policy 2. Board Composition 3. Board Practices 4. Board Meeting. The assessment of the Board's performance revealed that they were in the "excellent" range with an average score of 93.66 percent.

- **Self-Assessment** consisting of seven assessment dimensions:

1. Qualifications of the Board 2. Accountability of one's own decision and justification 3. Responsibility toward one's own work with due competence and sufficient efficiency 4. Equitable, fair, and justifiable treatment of stakeholders 5. Transparency in one's own work, with accountability and information disclosure 6. Vision to create long-term value to IRPC and 7. Business ethics. The results of the self-assessment revealed that they were in the "excellent" range with an average score of 95.00 percent.

- **Cross Assessment of Other Directors** consisting of the same seven assessment dimensions as the above. The assessment result revealed that the performance was in the "excellent" range with an average score of 97.36 percent.

10. Development of the Board and the Management

The Board ensures that its directors understand their duties, responsibilities, and IRPC's business by providing knowledge to the directors, both newly appointed and present ones, as well as regularly providing them with regulations received from SET and SEC to the directors and the management as follows:

Newly Appointed Directors: IRPC organizes orientation sessions for newly appointed directors by introducing the nature and policy of IRPC's business, general operation, and performance so that the new directors get a clear picture, as well as providing important information necessary to their work, such as the capital structure, shareholders, performance, regulations, corporate governance principles, Form 56-1, and the annual report, so that the new directors can comply.

Present Directors: IRPC encourages the current directors to take additional training to increase their knowledge, understand corporate governance principles, rules, regulations, as well as roles and duties of directors in efficient and proper management by taking training courses organized by the Thai Institute of Directors (IOD). At present, 12 out of 17 directors have taken part in training courses relating to their roles and duties.

Management: IRPC encourages the executives to regularly receive knowledge of laws and relevant rules to benefit their duties. Moreover, it encourages the executives who are directors in IRPC's group to attend training courses organized by IOD.

Directors' participation in training courses organized by IOD

Names	Director Certification on Program (DCP)	Director Accreditation on Program (DAP)	Finance for Non-Finance Directors (FND)	Role of the Chairman Program (RCP)	Audit Committee Program (ACP)	Role of the Compensation Committee (RCC)	Successful Formulation on and Execution of Strategy (SFE)	Role of the Nomination on and Governance Committee
1. Mr. Prasert Bunsumpun	-	Class 26/2004	-	-	-	-	-	-
2. Mr. Pailin Chuchottaworn	Class 51/2004	Class 24/2004	Class 14/2004	-	-	-	-	-
3. Mr. Cherdpong Siriwit	Class 104/2008	Class 8/2004	Class 13/2004	Class 10/2004	Class 27/2009	-	Class 2/2008	-
4. Mr. Chulayuth Hirunyavasit	Class 111/2008	-	-	-	-	-	-	-
5. Mr. Woothisarn Tanchai	-	-	-	-	-	-	-	-
6. M.R. Pongsvas Svasti	Class 44/2004	Class 15/2004	-	-	Class 5/2005	-	-	-
7. Mr. Lersuk Chuladesa	-	Class 63/2007	-	-	-	-	-	-
8. Ms. Sopawadee Lertmanaschai	Class 2/2000	-	-	-	Class 27/2009	-	Class 6/2009	-
9. Lt.Gen. Udomdej Sitabutr	-	-	-	-	-	-	-	-
10. Mr. Goanpot Asvinvichit	Class 134/2010	No. 72/2008	-	-	-	Class 13/2011	-	-
11. Mr. Watcharakiti Watcharothai	Class 121/2009	-	-	-	-	-	-	Class 11/2011
12. Ms. Rawittha Pongnuchit	-	-	-	-	-	-	-	-
13. Mr. Narongkorn Chawalsantati	-	-	-	-	-	-	-	-
14. Mr. Kritsada Udyanin	Class 75/2006	Class 50/2006	-	-	-	Class 1/2006	-	-
15. Mr. Wichai Pornkeratiwat	Class 111/2008	-	-	-	-	-	-	-
16. Mr. Sirisak Wittayaudom	-	-	-	-	-	-	-	-
17. Mr. Atikom Terbsiri	Class 125/2009	-	-	-	-	-	-	-

11. Succession plan

The Board ensures that IRPC has a proper recruitment system in place for those who will assume the positions of top executives at all levels, both from within and outside IRPC. IRPC has laid down Career Development Plans and the Individual Development Plans to prepare employees with qualifications and capability in case of vacant positions. The recruitment of the President will be undertaken according to the recruitment procedures of both inside and outside IRPC for transparency, with the disclosure of compensation payment regulations as in the annual report.

The compliance with IRPC's corporate governance principles as shown above reflects the commitment of

the Board, the Management, and all employees to continuously participate in the development of corporate governance in view of upgrading them on a par with international practices, resulting in IRPC's future competitiveness, to which IRPC will adhere to so as to ensure confidence to investors and stakeholders for sustainable growth and prosperity.



(Mr.Cherdpong Siriwit)

Chairman of the Corporate Governance Committee

Management Structure

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

The Board consists of 5-17 Directors, aged up to 70 and with a term of three years for each. Independent directors account for at least a third of the Board, with a minimum of three persons. IRPC has defined tougher qualifications on IRPC shareholding for independent directors than those set by the Capital Market Supervisory Board by setting a 0.5% limit on such shareholding.

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

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, 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 advisor, the person having controlling power over the Company.

3. Are not related by blood or registration as parents, spouses, siblings, 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 had 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 with controlling power over 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. Are not and have not been an auditor of the Company, subsidiary, associated company, major shareholder or those with controlling power over the Company and not be and 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. Are not and have 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. Are not a director appointed as a representative of a director of the Company, a representative of a major shareholder or a representative of a shareholder of the Company which is a related to major shareholder of the Company;

8. Do 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. Do 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 immediately 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 5 members:

1. Mr.Prasert Bunsumpun Chairman
2. Mr.Pailin Chuchottaworn Director
3. Mr.Woothisarn Tanchai Director
4. Mr.Wichai Pornkeratiwat Director
5. Mr.Atikom Terbsiri Director

Mr.Atikom Terbsiri, 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

The Audit Committee consisted of the following 3 members:

- | | |
|----------------------------|----------|
| 1. Mr.Cherdpong Siriwit | Chairman |
| 2. M.R.Pongsvas Svasti* | Director |
| 3. Mrs.Rawittha Pongnuchit | Director |

*M.R.Pongsvas Svasti tendered his resignation as director and directorship of the Audit Committee effective 16 January 2012

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 and participating in meeting with the auditor without the presence of management at least once a year.

5. To review the Company's connected transaction or any transaction with the possibility of conflict of interest to ensure these 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 the 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 consent of the Audit Committee.

3. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consisted of 3 members and there must be not less than 1 independent director:

- | | |
|------------------------------|----------|
| 1. Mr.Chulayuth Hirunyavasit | Chairman |
| 2. Mr.Woothisarn Tanchai | Director |
| 3. Mr.Wichai Pornkeratiwat | Director |

Ms.Kraisit Anukoonlutaiwong, Executive Vice President, Human Resource, 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 the President as well as present opinions to the Board of Directors to propose nomination such for approval at the shareholders' annual general meeting.

2. To establish the procedure and criteria of the nomination of directors and the President.

3. To consider the director remunerations to be proposed for approval at the shareholders' annual general meeting.

4. To access and review the President's remunerations to propose for approval from the Board.

4. The Corporate Governance Committee

The Corporate Governance Committee consisted of 3 members and there must be not less than 1 independent director:

- | | |
|----------------------------|----------|
| 1. Mr.Cherdpong Siriwit | Chairman |
| 2. Mr.Wichai Pornkeratiwat | Director |
| 3. Mr.Somma Khowkachaporn* | Director |

* Mr.Somma Khowkachaporn tendered his resignation as director and directorship of The Corporate Governance Committee effective on 15 April 2011

Ms.Monwipa Choopiban, Acting Executive Vice President, Corporate Affairs serves as Secretary of the Committee.

Duties and Responsibilities of the 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 Corporate Governance 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.

Meeting Attendance of the Board of Directors and Sub-committees in 2011

(Unit : Time)

Name	Board of Directors (Total 17 directors) Total 13 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 2 times/year	Nomination and Remuneration Committee (Total 3 directors) Total 5 times/year
1 Mr.Prasert Bunsumpun	13/13	8/8	-	-	1/1
2 Mr.Cherdpong Siriwit	13/13	-	14/14	-	-
3 Mr.Woothisarn Tanchai	12/13	11/12	-	-	5/5
4 Mr.Chulayuth Hirunyavasit	13/13	-	-	-	4/4
5 Mr.Lersuk Chuladesa	10/13	-	-	-	-
6 Ms.Sopawadee Lertmanaschai	13/13	-	-	-	-
7 Mr.Pailin Chuchottaworn	12/13	11/12	-	-	-
8 Mr.Wacharakiti Wacharothai	9/9	-	-	-	-
9 Lieutenant General Udomdej Sitabutr	7/9	-	-	-	-
10 Mrs.Rawittha Pongnuchit	1/1	-	2/2	-	-
11 Mr.Wichai Pornkeratiwat	-	-	-	-	-
12 Mr.Kritsda Udyanin	-	-	-	-	-
13 Mr.Sirisak Wittayaudom	-	-	-	-	-
14 Mr.Narongkorn Chawalsantati	-	-	-	-	-
15 Mr.Atikom Terbsiri	2/2	1/1	-	-	-
16 Mr.Goanpot Asvinvichit ¹	8/9	-	-	-	-
17 M.R.Pongvas Svasti ²	11/13	-	14/14	-	-
18 Mr.Norkun Sitthiphong ³	3/3	3/3	-	-	-
19 Mr.Aree Wongsearaya ⁴	4/4	-	-	-	-
20 Mr.Virabongsa Ramangkura ⁴	4/4	-	-	-	-
21 Mrs.Puntip Surathin ⁴	4/4	-	5/5	-	-
22 Mr.Pichai Chunhavajira ⁴	2/4	-	-	-	-
23 Mr.Somma Khawkachaporn ⁵	4/4	4/4	-	2/2	-
24 Mr.Chitrapongse Kwangsukstith ⁶	4/4	-	-	-	1/1
25 Mrs.Jantima Sirisaengtaksin ⁷	11/11	-	5/5	2/2	-
26 Mr.Satit Rungkasiri ⁸	5/7	-	-	-	-
27 Mr.Prajya Phinyawat ⁹	11/12	11/11	-	2/2	3/3
28 Mr.Surapit Kirtiputra ¹⁰	5/5	-	-	-	-

Note	¹ Mr.Goanpot Asvinvichit tendered his resignation as directorship of the Company, effective on 1 January 2012
	² M.R.Pongsvas Svasti tendered his resignation as directorship of the Company, effective on 16 January 2012
	³ Mr.Norkun Sitthiphong tendered his resignation as directorship of the Company, effective on 29 March 2011
	⁴ Mr.Aree Wongsearayaya, Mr.Virabongsa Ramangkura, Mrs.Puntip Surathin, Mr.Pichai Chunhavajira retired from directorship due to ending of term of office according to resolution of 2011 Annual General Meeting of Shareholders on 5 April 2011.
	⁵ Mr.Somma Khowkachaporn tendered his resignation as directorship of the Company, effective on 15 April 2011
	⁶ Mr.Chitrapongse Kwangsukstith tendered his resignation as directorship of the Company, effective on 20 April 2011
	⁷ Mrs.Jantima Sirisaengtaksin tendered her resignation as directorship of the Company, effective on 3 November 2011
	⁸ Mr.satit Rungkasiri tendered his resignation as directorship of the Company, effective on 4 November 2011
	⁹ Mr.Prajya Phinyawat tendered his resignation as directorship of the Company, effective on 23 November 2011
	¹⁰ Mr.Surapit Kirtiputra tendered his resignation as directorship of the Company, effective on 24 November 2011

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.

Nomination of Director

1. The Shareholders' Meeting elects the directors proposed by the Boards with recommendation by the Nomination and Remuneration committee 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) which shareholder cannot allocate only part of his or her votes to any nominee and shall receive the majority votes from the shareholders who attends the meeting and exercise their rights.

(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'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' 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 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 2011 Annual General Meeting held on 5 April 2011 approved the remuneration of Board of Directors and sub-committees at the same rate of those of 2010 as following details:

1. Board of Directors and Sub-Committees Remuneration in 2011

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. 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.		
Chairman	-	60,000 Baht
Director	-	45,000 Baht

2. Bonus of Director: 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 2010. 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	Monthly Remuneration	Meeting Allowances for Board of Director	Meeting Allowances for Sub-Committee Meeting	Bonus ¹	Total Remuneration
1	Mr.Prasert Bunsumpun	673,000	735,000	540,000	1,192,547	3,140,547
2	Mr.Cherdpong Siriwit	540,000	585,000	840,000	1,391,304	3,356,304
3	Mr.Woothisarn Tanchai	540,000	540,000	720,000	1,490,683	3,290,683
4	Mr.Chulayuth Hirunyavit	540,000	585,000	240,000	1,093,168	2,458,168
5	Mr.Lersuk Chuladesa	540,000	450,000	-	993,789	1,983,789
6	Ms.Sopawadee Lertmanaschai	540,000	585,000	-	1,093,168	2,218,168
7	Mr.Pailin Chuchottaworn	540,000	540,000	495,000	1,490,683	3,065,683
8	Mr.Wacharakiti Watcharothai	399,000	405,000	-	-	804,000
9	Lieutenant General Udomdej Sitabutr	399,000	315,000	-	-	714,000
10	Mrs.Rawittha Pongnuchit	69,000	45,000	90,000	-	204,000
11	Mr.Wichai Pornkeratiwat	24,677	-	-	-	24,677
12	Mr.Kritsda Udyanin	24,677	-	-	-	24,677
13	Mr.Sirisak Wittayaudom	24,677	-	-	-	24,677
14	Mr.Narongkorn Chawalsantati	24,677	-	-	-	24,677
15	Mr.Atikom Terbsiri	108,871	90,000	45,000	-	243,871

Ex-Directors in 2012

16	Mr.Goanpot Asvinvichit ²	399,000	360,000	-	-	759,000
17	M.R.Pongsvas Svasti ³	540,000	495,000	630,000	1,490,683	3,155,683

Ex-Directors in 2011

18	Mr.Norkun Sitthiphong ⁴	180,000	180,000	180,000	1,937,888	2,477,888
19	Mr.Aree Wongsearaya ⁵	141,000	180,000	-	1,291,926	1,612,926

(Unit: Baht)

No.	Name	Monthly Remuneration	Meeting Allowances for Board of Director	Meeting Allowances for Sub-Committee Meeting	Bonus ¹	Total Remuneration
20	Mr.Virabongsa Ramangkura ⁵	141,000	180,000	-	1,490,683	1,811,683
21	Mrs.Puntip Surathin ⁵	141,000	180,000	225,000	1,490,683	2,036,683
22	Mr.Pichai Chunhavajira ⁵	141,000	90,000	-	1,192,547	1,423,547
23	Mr.Somma Khowkachaporn ⁶	156,000	180,000	270,000	1,490,683	2,096,683
24	Mr.Chitrapongse Kwangsukstith ⁷	163,500	180,000	45,000	1,391,304	1,779,804
25	Mrs.Jantima Sirisaengtaksin ⁸	453,000	495,000	345,000	1,490,683	2,783,683
26	Mr.Satit Rungkasiri ⁹	313,500	225,000	-	-	538,500
27	Mr.Prajya Phinyawat ¹⁰	495,000	495,000	735,000	1,490,683	3,215,683
28	Mr.Surapit Kirtiputra ¹¹	235,500	225,000	-	-	460,500

Ex-Directors in 2010

29	Mr.Pala Sookawesh	-	-	-	298,137	298,137
30	Ms.Variya Wongprecha	-	-	-	198,758	198,758
Total		8,487,079	8,340,000	5,400,000	24,000,000	46,227,079

Note

- ¹ The 2010 company paid bonus to each director for the performance of 2010.
- ² Mr.Goanpot Asvinvichit tendered his resignation as directorship of the Company effectively 1 January 2012
- ³ M.R.Pongsvas Svasti tendered his resignation as directorship of the Company effectively 16 January 2012
- ⁴ Mr.Norkun Sitthiphong tendered his resignation as directorship of the Company effectively 29 March 2011
- ⁵ Mr.Aree Wongsearay, Mr.Virabongsa Ramangkura, Mrs.Puntip Surathin, Mr.Pichai Chunhavajira retired from directorship due to ending of term of office according to resolution of 2011 Annual General Meeting of Shareholders on 5 April 2011.
- ⁶ Mr.Somma Khowkachaporn tendered his resignation as directorship of the Company effectively 15 April 2011
- ⁷ Mr.Chitrapongse Kwangsukstith tendered his resignation as directorship of the Company effectively 20 April 2011
- ⁸ Mrs.Jantima Sirisaengtaksin tendered her resignation as directorship of the Company effectively 3 November 2011
- ⁹ Mr.Satit Rungkasiri tendered his resignation as directorship of the Company effectively 4 November 2011
- ¹⁰ Mr.Prajya Phinyawat tendered his resignation as directorship of the Company effectively 23 November 2011
- ¹¹ Mr.Surapit Kirtiputra tendered his resignation as directorship of the Company effectively 24 November 2011

Number of Shares and Warrants held by the Directors

No.	Name	As of 31 December 2010	As of 31 December 2011	Number of share change during the year	
		Paid-up Capital 20,169,813,900 Baht	Paid-up Capital 20,434,419,246 Baht		
		% Shareholding / Number of share	% Shareholding / Number of share		
1	Mr.Prasert Bunsumpun	-	0.00098 200,000	200,000	
2	Mr.Cherdpong Siriwit	-	-	-	
3	Mr.Chulayuth Hirunyavasit	-	-	-	
4	Mr.Pailin Chuchottaworn	0.00050 100,000	0.00049 100,000	-	
5	Lieutenant General Udomdej Sitabutr		-		
6	Mr.Woothisarn Tanchai	-	-	-	
7	Mr.Watcharakiti Watcharothai		0.00127 260,250	-	
8	Mr.Lersuk Chuladesa	0.00000 375	0.00000 375	-	
9	Ms.Sopawadee Lertmanaschai	-	-	-	
10	Mrs.Rawittha Pongnuchit		-	-	
11	Mr.Wichai Pornkeratiwat		-	-	
12	Mr.Sirisak Wittayaudom		-	-	
13	Mr.Kritsda Udyanin		-	-	
14	Mr.Narongkorn Chawalsantati		-	-	
15	Mr.Atikom Terbsiri		-	-	
16	Mr.Goanpot Asvinvichit*		-	-	
17	M.R.Pongsvas Svasti*	-	-	-	

* Note : Mr.Goanpot Asvinvichit tendered his resignation as directorship of the Company, effective on 1 January 2012.
M.R.Pongsvas Svasti tendered his resignation as directorship of the Company, effective on 16 January 2012.

Management Remuneration

IRPC has defined a policy for management remuneration by taking into account each person's scope of responsibility, management ability, and the approaches and standards of the peer business group. In arriving at annual adjustments, it assesses performance under the performance management system (PMS), consisting of (1) KPIs, representing key missions cascaded from the corporate level each year and matching organization's goals), and (2) job

competency (a behavioral assessment tool for a person's ability). These two elements help IRPC achieve goals with quality and sustainability.

In the year 2011, 6 managements received remuneration totalled to 49.44 million bath. This comprises remuneration in the forms of salaries of 37.48 million bath, bonus of 11.25 million bath, provident fund contribution of 0.71 million bath.

Name ⁽¹⁾	Position
1. Mr.Atikom Terbsiri ⁽²⁾	President
2. Mr.Sahaschai Panichapong	Senior Executive Vice President, Petrochemical & Refinery Business Unit
3. Mr.Nuntachai Prapawatwech	Senior Executive Vice President, Corporate Commercial & Marketing
4. Mr.Manit Suthaporn	Acting Senior Executive Vice President, Corporate Human Resources & Administration /Advisor, Officiate as Senior Executive Vice President, Corporate Legal
5. Miss Duangkamol Settanung ⁽³⁾	Senior Executive Vice President, Corporate Accounting & Finance
6. Mr.Chansin Treenuchagron ⁽⁴⁾	Senior Executive Vice President, Port & Asset Management Business Unit / Acting Senior Executive Vice President, Corporate Strategy & Planning

Note

⁽¹⁾ As defined by SEC

⁽²⁾ Mr.Pailin Chuchottaworn served as President until 31 May 2011 and served as Acting President from 1 June 2011 to 9 September 2011 Mr.Sahaschai Panichapong served as Acting President form 10 September 2011 to 18 October 2011 Mr.Atikom Terbsiri served as President since 19 October 2011.

⁽³⁾ Mr.Wirat Uanarumit served as Senior Executive Vice President Corporate Accounting & Finance from 1 February to 31 October 2011 Miss Duangkamol Settanung served as Senior Executive Vice President Corporate Accounting & Finance since 1 November 2011.

⁽⁴⁾ Mr.Chansin Treenuchagron served as Senior Executive Vice President Port & Asset Management Business Unit and Acting Senior Executive Vice President Corporate Strategy & Planning since 19 October 2011.

Number of Shares and Warrants held by the Management

No.	Name	As of 31 December 2010	As of 31 December 2011	Number of share change during the year
		Paid-up Capital 20,169,813,900 Baht	Paid-up Capital 20,434,419,246 Baht	
		% Shareholding / Number of share	% Shareholding / Number of share	
1	Mr.Atikom Terbsiri	-	-	-
2	Mr.Sahaschai Panichapong	-	-	-
3	Mr.Nuntachai Prapawatwech	0.00074 150,000	0.00073 150,000	-
4	Mr.Manit Suthaporn	0.000000 50	0.000000 50	-
5	Ms.Duangkamol Settanung		-	-
6	Mr.Chansin Treenuchagron		0.00024 50,000	-
7	Ms.Oravan Leelarasamee	-	-	-
8	Mrs.Patnan Tejakumput		0.00180 367,015	-

Company Secretary

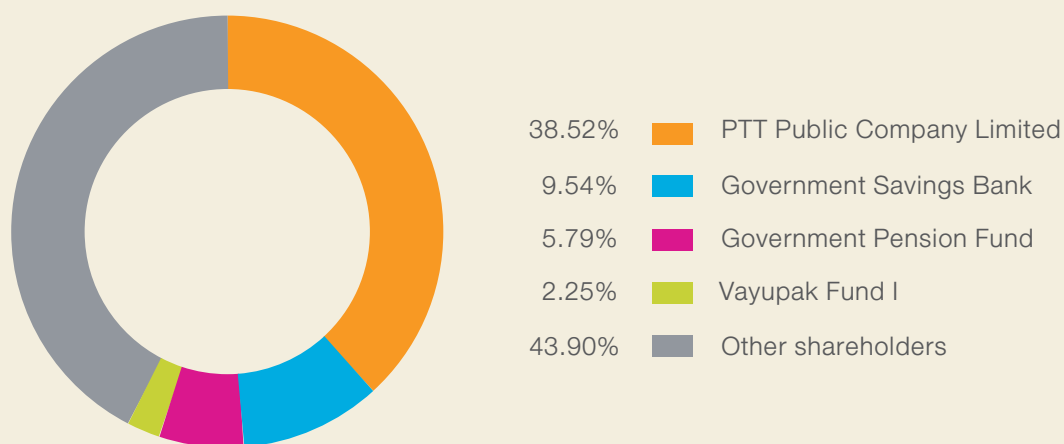
Mr.Chalermchai Somboonpakorn served as Company Secretary from 15 July 2008 to 23 January 2012.
Ms.Monwipa Choopiban served as Company Secretary from 24 January 2012.

This appointment was carried out under the provision of Article 89/15 of the Securities and Exchange Act (1999), which was amended by the Securities and Exchange Act no.4 of 2009.

Shareholding Structure

The first ten shareholders of IRPC Public Company Limited, as of the closing of the registry book for dividend payment on September 19, 2011, are:

Shareholders	Amount of Shares	% Shareholding
1 PTT Plc.	7,869,694,600	38.52%
2 The Government Savings Bank	1,950,000,000	9.54%
3 The Government Pension Fund	1,183,796,970	5.79%
4 Thai NVDR Co, Ltd.	537,098,835	2.63%
5 Bangkok Bank Plc.	504,906,708	2.47%
6 HSBC (Singapore) Nominees PTE LTD	304,179,860	1.49%
7 Vayupak Fund I by MFC Asset Management Plc.	229,758,600	1.12%
8 Vayupak Fund I by Krungthai Asset Management Plc.	229,758,600	1.12%
9 State Street Bank and Trust Company	195,337,800	0.96%
10 Social Security Office (2 cases)	135,486,900	0.66%



Dividend Policy

IRPC Public Company Limited

IRPC's policy is to pay dividend at no less than 25% of its annual net profit after tax and all capital provisions, as required by the company regulations and by law. However, dividend payment is subject to its investment plan and other obligations as seen appropriate by the Board of Directors.

Affiliates

There is no policy to govern affiliates' dividend payment. Each affiliate will separately consider their own dividend payment, taking into account their cashflow balances and net profits against their reserved investment budget as required by law, or against other obligations as seen appropriate by each affiliate's board of directors.

IRPC Information

Company Name	:	IRPC Public Company Limited
Symbol	:	IRPC
Company Registration	:	0107537002567
Type of Business	:	Petroleum and Petrochemical
Industry	:	Resources
Sector	:	Energy & Utilities
Registered Capital	:	Baht 20,475,000,000 including 20,475,000,000 common shares, Baht 1 per share
Paid-up Capital	:	Baht 20,434,419,246 including 20,434,419,246 common shares, Baht 1 per share
Location	:	Headquarters and Plant 299 Moo 5 Sukhumvit Road, Choengnoen, Rayong, Thailand Tel. (038) 611333 Fax. (038) 612813 Bangkok Office 555/2, Energy Complex, Building B, 6 th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900 Tel. (662) 649-7000 Fax. (662) 649-7001
Web Site	:	www.irpc.co.th

References

Share Registrar	:	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
Auditor	:	Ms.Nangnoi Charoenthavesub CPA No.3044 PricewaterhouseCoopers ABAS Limited. 179/74-80 Bangkok City Tower 15 th Floor South Sathorn Road, Thungmahamake, Sathorn, Bangkok, Thailand 10120 Tel. (662) 344-1000 Fax.(662) 286-5050
Baht Bond Registrar	:	TMB Bank Public Company Limited 3000 Phaholyothin Road, Chompon, Chatuchak, Bangkok, Thailand 10900 Tel. (662) 299-1111

Juristic person that the Company has 10% or more shareholding

No.	Company	% of share holding	Paid up Capital
1	<p>Thai ABS Co., Ltd. Address : 555/2, Energy Complex, Building B, 7th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. 02-646-6700 Fax. 02-646-6750 Type of Business : manufacturing and sales of plastic resin</p>	99.99%	2,500 Million Baht
2	<p>IRPC A&L Co., Ltd. Address : 555/2, Energy Complex, Building B, 9th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. 02-649-7511 Fax. 02-649-7550 Type of Business : sales of plastic resin Remarks : subsidiaries of Thai ABS Co., Ltd</p>	59.94%	10 Million Baht
3	<p>IRPC Oil Co., Ltd. Address : 555/2, Energy Complex, Building B, 7th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. 02-646-6666 Fax. 02-646-6677 / 6688 Type of Business : sales of refined products</p>	99.99%	2,000 Million Baht
4	<p>Rakpasak Co., Ltd. Address : 555/2, Energy Complex, Building B, 7th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. 02-646-6666 Fax. 02-646-6677 / 6688 Type of Business : marine transportation services Remarks : subsidiaries of IRPC Oil Co. Ltd.</p>	99.99%	110 Million Baht
5	<p>TPI Internet Portal Co. Ltd. Address : 555/2, Energy Complex, Building B, 7th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. 02-646-6700 Fax. 02-646-6677 / 6688 Type of Business : sales of refined products</p>	99.89%	0.1 Million Baht
6	<p>IRPC Polyol Co., Ltd. Address : 555/2, Energy Complex, Building B, 7th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. 02-646-6700 Fax. 02-646-6702 Type of Business : manufacturing and sales of polyol</p>	99.99%	300 Million Baht

No.	Company	% of share holding	Paid up Capital
7	<p>IRPC Technology Co., Ltd.</p> <p>Address : 309 Moo 5 Sukhumvit Road, Choengnoen, Rayong Tel. 038-899-130-2 Fax. 038-899-130-2 Ext. 301</p> <p>Type of Business : vocational school</p>	99.99%	750 Million Baht
8	<p>Thai International Tanker Co., Ltd.</p> <p>Address : 610/5-6, Song Wat Road, Chakkawat, Samphanthawong, Bangkok Tel. 02-224-0091 Fax. 02-622-6380</p> <p>Type of Business : marine transportation services</p> <p>Remarks : subsidiaries of IRPC Oil Co. Ltd.</p>	49.99%	281 Million Baht
9	<p>PTT Polymer Marketing Co., Ltd</p> <p>Address : 555/1, Energy Complex, Building A, 9th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel 02-140-4488 Fax. 02-140-4333</p> <p>Type of Business : sales of plastic resin</p>	25.00%	40 Million Baht
10	<p>Thai Special Steel Industries Plc.</p> <p>Address : 26/56 TPI Tower, 19th Floor, Chan Tat Mai Road, Thungmahamek, Sathorn, Bangkok Tel. 02-678-6500-10 Fax. 02-678-6511</p> <p>Type of Business : manufacturing and sales of steel</p>	16.24%	4,220 Million Baht
11	<p>Rayong Acetylene Co., Ltd.</p> <p>Address : 2/3 Moo 14, Bangna-Trad Road, Km.6.5, Bangkaew, Bangplee, Samutprakarn Tel. 02-338-6100 Fax. 038-621-602</p> <p>Type of Business : manufacturing and sales of acetylene gases</p>	13.04%	115 Million Baht

Remarks : The table only includes companies that has active operations.

Connected Transactions

Details of connected transactions between IRPC and its subsidiaries with connected parties occurred during 2010 and 2011 are as follows:

(Unit : Baht Million)

Connected Parties / Relationship Type	Transactions	2010	2011	Nature and Condition of transaction
PTT Plc. (PTT) Relationship Type : - Major shareholder of IRPC, shareholding at 38.52% - Two common directors: Mr.Pailin Chuchottaworn Mr.Wacharakiti Watcharothai - PTT management on IRPC Board Mr.Pailin Chuchottaworn	- Sales of goods	16,369	18,602	The Company sold petroleum products to PTT Plc. at market prices.
	- Purchase of goods	132,665	177,877	The Company purchased crude oil and refined products from PTT Plc. at market prices.
	- Account receivable	755	860	
	- Account payable	5,189	14,114	The Company paid personnel expenses and other administrative expenses to PTT
	- Administrative expenses	60	53	
	- Other revenues (expenses)	-205	-390	Gain (Loss) from crack spread hedging contracts of crude oil and petroleum products
	- Other receivable	15	115	
- Other payable	276	595		
Thai Oil Plc. (TOP) Relationship Type : - 49.10% of shares held by PTT Plc.	- Sales of goods	488	2,051	The Company sold refined oil products to Thai Oil Plc. at market prices.
	- Purchase of goods	607	2,377	
	- Administrative expenses	-	-	The Company purchased crude oil from Thai Oil Plc. at market prices.
	- Other revenues	-	3	
Thai Lube Base Plc. (TLB) Relationship Type : 99.99% of shares held by Thai Oil Plc. - One Common director: Mr.Prasert Bunsumpun	- Sales of goods	828	1,362	The Company sold long residue to Thai Lube Base Plc. at market prices.
	- Purchase of goods	6	136	
	- Account receivable	-	2	The Company purchased lube base oil from Thai Lube Base Plc. at market price.
	- Account payable	-	15	
Thai Para-xylene Co., Ltd. (TPX) Relationship Type : 99.99% of shares held by Thai Oil Plc.	- Sales of goods	1,283	1,151	The Company sold mixed xylene to Thai Para-xylene Co., Ltd. at market prices.
	- Purchase of goods	1,802	705	
	- Account payable	57	7	The Company purchased Benzene from Thai Para-xylene at market prices.
PTT Chemical Plc. (PTTCH)* Relationship Type : - 49.14% of shares held by PTT Plc.	- Sales of goods	555	524	The Company sold aromatic to PTTCH at market prices.
	- Purchase of goods	4,025	3,080	The Company purchased propylene ethylene from PTTCH at market prices.
	- Account receivable	159	-	
	- Account payable	458	-	
	- Administrative expenses	-	-	
PTT Aromatic and Refining Plc. (PTTAR)* Relationship Type : 48.45% of shares held by PTT Plc.	- Sales of goods	122	5	The Company sold Toluene to PTTAR at market prices.
	- Purchase of goods	809	832	The Company purchased Naphtha, Benzene from PTTAR at market prices.
	- Account receivable	9	-	
	- Account payable	122	-	
PTT Global Chemical Plc. (PTTGC)* Relationship Type : 48.92% of shares held by PTT Plc. - One Common director: Mr.Prasert Bunsumpun	- Sales of goods	-	191	The Company sold Aromatic to PTTGC at market prices.
	- Purchase of goods	-	2,401	The Company purchased Diesel from PTTGC at market prices.
	- Account receivable	-	6	
	- Account payable	-	2,147	
	- Administrative expenses	-	1	

* PTT Global Chemical Public Company Limited was founded on 19th October 2011 through the amalgamation of PTT Chemical Public Company Limited and PTT Aromatics and Refining Public Company Limited to be the chemical flagship of PTT Group.

(Unit : Baht Million)

Connected Parties / Relationship Type	Transactions	2010	2011	Nature and Condition of transaction
Bangchak Petroleum Plc. (BCP) Relationship Type : 27.22% of shares held by PTT Plc.	- Sales of goods - Purchase of goods - Account receivable	1,846 - -	1,520 - -	The Company sold refined products to BCP at market prices. The Company purchased crude oil from BCP at market prices.
Star Petroleum Refining Co., Ltd. (SPRC) Relationship Type : 36.00% of shares held by PTT Plc.	- Sales of goods - Purchase of goods - Account payable	- 302 147	1,919 1,174 -	The Company sold ATB to SPRC at market prices. The Company purchased LPG and light naphtha from SPRC at market prices.
PTT ICT Solutions Co., Ltd. (PTT ICT) Relationship Type : 20.00% of shares held by PTT Plc. - IRPC management on PTT ICT Board : Miss Duangkamol Settanung	- Administrative expenses - Other account payable	20 -	23 2	The Company paid service expenses to PTT ICT at market prices.
PTT Polymer Marketing Co., Ltd. (PTTPM) Relationship Type : 50.00% of shares held by PTT Plc. 25.00% of shares held by IRPC Plc. - IRPC management on PTTPM Board : Mr.Atikom Terbsiri Mr.Nuntachai Prapawatwech	- Sales of goods - Purchase of goods - Account receivable - Account payable - Administrative expenses	1,180 459 88 41 3	844 573 43 43 1	The Company sold plastic resins to PTTPM at market prices. The Company purchased plastic resins from PTTPM at market prices.
Business Service Alliance Co., Ltd. (BSA) Relationship Type : 25.00% of shares held by PTT Plc.	- Administrative expenses - Other account payable	126 14	177 10	The Company paid personnel expenses to BSA at market prices.
PTT Retail Management Co., Ltd. (PTTRM) Relationship Type : 99.99% of shares held by PTT Retail Business Co., Ltd.	- Personnel expenses - Service Revenues	5 3	5 3	The Company paid personnel expenses to PTTRM at market prices. IRPC Oil Co., Ltd received Service Revenues from PTTRM.
PTT Polyethylene Co., Ltd. (PTTPE) Relationship Type : 100% of shares held by PTT Global Chemical Plc.	- Sales of goods - Purchase of goods - Account receivable	42 - 7	80 6 4	The Company sold solvent to PTT Polyethylene Co., Ltd. at market prices. The Company purchased Butane from PTT Polyethylene Co., Ltd. at market prices.
Thai Styrenics Co., Ltd. (TSCL) Relationship Type : 100% of shares held by PTT Polyethylene Co., Ltd.	- Sales of goods - Account receivable	163 20	344 13	The Company sold styrene Monomer to Thai Styrenics Co., Ltd. at market prices.

(Unit : Baht Million)

Connected Parties / Relationship Type	Transactions	2010	2011	Nature and Condition of transaction
Energy Complex Co., Ltd. (EnCo) Relationship Type : 50.00% of shares held by PTT Plc.	- Administrative expenses	62	76	The Company rental office from Energy Complex Co., Ltd. at market prices.
PTT International Trading Co., Ltd. (PTTT) Relationship Type : 100% of shares held by PTT Plc.	- Sales of goods - Purchase of goods - Gain from exchange	- 51 2	611 20 -	The Company sold Fuel Oil to PTT International Trading Co., Ltd. at market prices. The Company purchased cold propylene from PTT International Trading Co., Ltd. at market prices.
PTT Phenol Co., Ltd. (PPCL) Relationship Type : 40.00% of shares held by PTT Plc.	- Sales of goods	1	-	The Company sold Ethyl Benzene to PTT Phenol Co., Ltd at market prices.
Nippon A&L Co., Ltd. Relationship Type : 34.99% of shares held by IRPC A&L Co., Ltd.	- Purchase of goods	6	-	IRPC A&L Co., Ltd. purchased plastic resins from Nippon A&L Co., Ltd.
Sak Chaisidhi Co., Ltd. Relationship Type : 80.52% of shares held by TOP Solvent Co., Ltd.	- Sales of goods - Purchase of goods - Account receivable - Account payable	404 - 34 -	637 62 8 3	The Company sold aromatic to Sak Chaisidhi Co., Ltd at market prices. Thai ABS Co., Ltd. purchased pentane from Sak Chaisidhi Co., Ltd. at market prices.
TOP Solvent Co., Ltd. Relationship Type : 99.99% of shares held by Thaioil Solvent Co., Ltd.	- Sales of goods - Purchase of goods - Account receivable - Account payable	- - - -	1,029 97 79 4	The Company sold Solvent and Styrein Monomer to TOP Solvent Co., Ltd. at market prices. The Company purchased aromatic from TOP Solvent Co., Ltd. at market prices.
Thaioil Marine Co., Ltd. Relationship Type : 99.99% of shares held by Thai Oil Plc.	- Sales - Account receivable	- -	10 1	The Company Port Service to Thaioil Marine Co., Ltd. at market prices.
TOC Glycol Co., Ltd. (TOCGC) Relationship Type : 99.99% of shares held by PTT Global Chemical Plc.	- Purchase of goods - Account payable	- -	20 7	The Company purchased DEG MEG from TOC Glycol Co., Ltd. at market prices.
Thai Ethanolamines Co., Ltd. (EA) Relationship Type : 99.99% of shares held by PTT Global Chemical Plc.	- Purchase of goods	-	2	The Company purchased Di-Ethanolamines from Thai Ethanolamines Co., Ltd. at market prices.
PTT Asahi Chemicals Co., Ltd. (PTTAC) Relationship Type : 48.50% of shares held by PTT Plc.	- Purchase of goods - Account payable	- -	28 30	Thai ABS Co., Ltd. purchased ACN from PTT Asahi Chemicals Co., Ltd. at market prices.

(Unit : Baht Million)

Connected Parties / Relationship Type	Transactions	2010	2011	Nature and Condition of transaction
NPC Safety and Environmental Service Co., Ltd. (NPCS&E) Relationship Type : 99.99% of shares held by PTT Global Chemical Plc.	- Purchase of goods - Administrative expenses	- -	3 5	The Company purchased Set of Safety from NPC Safety and Environmental Service Co., Ltd. at market prices.
PTT Energy Solutions Co., Ltd. (PTTES) Relationship Type : 40% of shares held by PTT Plc. - IRPC management on PTTES Board : Mr.Sahaschai Panichapong	- Administrative expenses	-	28	The Company paid Technical Services from PTT Energy Solutions Co., Ltd. at market prices.

Policy and necessity of Connected Transactions

As IRPC and its subsidiaries operate refinery and fully integrated petrochemical complex which are similar to the operation of PTT Group of companies, 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 regarding connected transactions, the Company's Articles of Association has outlined Connected Transactions Measures as follows:

"In case the Company or subsidiaries decide 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 regarding 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 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 requirements regarding connected transaction of The Securities Exchange Commission and the Stock Exchange of Thailand."

IRPC's Directors and Executives (31 December 2011)

Name																				
Company																				
1	IRPC Public Company Limited	X	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Subsidiaries																				
2	IRPC Polyol Company Limited	/																		
3	Thai ABS Company Limited	/																		
4	IRPC Oil Company Limited	X	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
5	IRPC Technology Company Limited																			
6	IRPC A&L Company Limited																			
7	Rakpasak Company Limited																			
8	Thai Polyurethane Industry Company Limited																			
9	IRPC Energy Company Limited																			
Associated Company																				
10	PTT Polymer Marketing Company Limited																			
11	PTT Energy Solution Co.,Ltd.																			
Related Companies																				
12	PTT Public Company Limited																			
13	PTT Global Chemical Public Company Limited	X	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
14	Thai Oil Public Company Limited																			
15	Thai Lube Base Public Company Limited	/																		
16	Thai Paraxylene Company Limited																			
17	Bangchak Petroleum Public Company Limited																			
18	PTT Polyethylene Company Limited																			
19	PTT Phenol Company Limited																			

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

Subsidiaries's Directors (31 December 2011)

<p>1. IRPC Polyol Company Limited</p>	<table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>1 Mr.Prasert Bunsumpun</td> <td>Director</td> </tr> <tr> <td>2 Mr.Sommai Khowkachaporn</td> <td>Director</td> </tr> <tr> <td>3 Mr.Atikom Terbsiri</td> <td>Director</td> </tr> <tr> <td>4 Miss Duangkamol Settanung*</td> <td>Director</td> </tr> <tr> <td>5 Mr.Chansin Treenuchagron**</td> <td>Director</td> </tr> <tr> <td>6 Mr.Vichit Nittayanonte</td> <td>Director</td> </tr> </tbody> </table> <p>* According to the board of director's resolution No.6/2011 dated 30 November 2011, Miss Duangkamol Settanung has been appointed as a director substitute for Mr.Wirat Uanarumit who resigned.</p> <p>** According to the board of director's resolution No.6/2011 dated 30 November 2011, Mr.Chansin Treenuchagron has been appointed as a director substitute for Mr.Pailin Chuchottaworn who resigned.</p>	Name	Position	1 Mr.Prasert Bunsumpun	Director	2 Mr.Sommai Khowkachaporn	Director	3 Mr.Atikom Terbsiri	Director	4 Miss Duangkamol Settanung*	Director	5 Mr.Chansin Treenuchagron**	Director	6 Mr.Vichit Nittayanonte	Director	<p>2. Thai ABS Co.,Ltd.</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>1 Mr.Prasert Bunsumpun</td> <td>Director</td> </tr> <tr> <td>2 Mr.Sommai Khowkachaporn</td> <td>Director</td> </tr> <tr> <td>3 Mr.Atikom Terbsiri</td> <td>Director</td> </tr> <tr> <td>4 Miss Duangkamol Settanung*</td> <td>Director</td> </tr> <tr> <td>5 Mr.Chansin Treenuchagron</td> <td>Director</td> </tr> </tbody> </table> <p>* According to the board of director's resolution No.6/2011 dated 30 November 2011, Miss Duangkamol Settanung has been appointed as a director substitute for Mr.Wirat Uanarumit who resigned.</p>	Name	Position	1 Mr.Prasert Bunsumpun	Director	2 Mr.Sommai Khowkachaporn	Director	3 Mr.Atikom Terbsiri	Director	4 Miss Duangkamol Settanung*	Director	5 Mr.Chansin Treenuchagron	Director	<p>3. IRPC Oil Co., Ltd.</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>1 Mr.Prasert Bunsumpun</td> <td>Chairman</td> </tr> <tr> <td>2 Mr.Sommai Khowkachaporn</td> <td>Director</td> </tr> <tr> <td>3 Mr.Atikom Terbsiri</td> <td>Director</td> </tr> <tr> <td>4 Mr.Nuntachai Prapawatwech</td> <td>Director</td> </tr> <tr> <td>5 Miss Duangkamol Settanung*</td> <td>Director</td> </tr> <tr> <td>6 Mr.Chansin Treenuchagron</td> <td>Director</td> </tr> </tbody> </table> <p>* According to the board of director's resolution No.6/2011 dated 30 November 2011, Miss Duangkamol Settanung has been appointed as a director substitute for Mr.Wirat Uanarumit who resigned.</p> <p>4. IRPC Technology Co., Ltd.</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>1 Mr.Manit Suthaporn</td> <td>Director</td> </tr> <tr> <td>2 Mr.Chansin Treenuchagron</td> <td>Director</td> </tr> <tr> <td>3 Mrs.Srisuda Suralertrungsun</td> <td>Director</td> </tr> <tr> <td>4 Mrs.Sukriang Chartuthit</td> <td>Director</td> </tr> <tr> <td>5 Mr.Cheepawut Lichupathamyot</td> <td>Director</td> </tr> <tr> <td>6 Mr.Chalermchai Somboonpakorn</td> <td>Director</td> </tr> </tbody> </table> <p>5. 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Report of the Audit Committee

To the Shareholders

IRPC Public Company Limited appointed the Audit Committee consisting of three independent directors who are well-versed in finance, accounting, law, and management. All are qualified under the Charter of the Audit Committee, which aligns with the requirements and guidelines of the Stock Exchange of Thailand (SET).

The committee performs its duties and provides opinion freely under its scope of responsibility assigned by the Board of Directors in ensuring that IRPC's business is unreserved of conflicts of interest and that executives serve with integrity and responsibility in line with company policy. This year, the committee held a total of 14 meetings with perfect attendance. It also held a meeting with the external auditor in the absence of IRPC management to acknowledge the external auditor's key remarks and recommendations while freely exchanging views among all. Below are the essences of the committee's work this year.

1. Review of Financial Statements: The committee reviewed the quarterly and annual financial statements to ensure that IRPC's financial reports were properly prepared in essential details according to generally accepted accounting principles with complete, adequate, and timely disclosure of key information. It also monitored and reviewed preparation for changes in its accounting standard and the preparation of new financial statements based on IFRS (International Financial Reporting Standards).

2. Review of Connected Transactions : The committee reviewed connected transactions with related companies and items of potential conflicts of interest with due regard for arms' length basis, sensibility, and the best interests of IRPC. It also ensured disclosure of information required by SET and related laws.

3. Review of Risk Management : The committee reviewed IRPC's plans for and approach to risk management, including the identification of internal and external risks to ensure complete coverage. The Risk Management Committee manages these risks as planned, and monitored, developed, and improved action plans to fit prevailing circumstances to ensure that such risks are acceptable and are promptly handled.

4. Review of Compliance : The committee regularly reviewed IRPC's compliance with laws on securities and SET, requirements of SET and the Securities and Exchange Commission, and other laws related to IRPC's business.

5. Review and Oversight of Internal Controls : To bring about adequate and suitable internal controls, the committee reviewed the annual audit plans and their implementation, reviewed audit findings, made recommendations on, and monitored key corrective actions. It also reviewed the business processes about which complaints were filed, and encouraged employee participation in observing company rules and code of practice so as to bring about continuously good corporate governance.

6. Selection and Appointment of the External Auditor for 2011 : Examining qualifications and defining a suitable compensation, the committee was in favor of appointing PricewaterhouseCoopers ABAS Limited as the external auditor of IRPC Plc and its affiliates.

In summary, the committee performed its duties with prudence, care, and free expression of views to bolster the confidence in the credibility of essential financial statements and in the efficiency and effectiveness of risk management, internal audit, and internal control system, which is in line with current business circumstances. This in turn yielded the best interests to all related parties and enabled IRPC to grow and develop in a sustainable way.



Cherdpong Siriwit
Chairman, Audit Committee

Report of Board of Directors' Responsibility for Financial Reports

To the Shareholders

The Board of Directors of IRPC Public Company Limited is responsible for the consolidated financial statements of IRPC and its subsidiaries, including financial information illustrated in this annual report. Such statements were developed in line with generally accepted accounting principles, relying on a suitable and consistently practiced accounting policy. Disclosure of information in the notes to the financial statements is adequate, with the external auditor's audit and unqualified opinions provided.

The Board has appointed the Audit Committee, consisting of independent directors, to ensure the effective supervision of the assessment of the internal control systems, the financial statements and that the accounting entries are accurate, essentially complete, and timely, while preventing frauds or abnormal transactions. The Report of the Audit Committee is also provided herewith.

In the opinion of the Board, IRPC's internal control system can bolster the confidence that IRPC Public Company Limited's consolidated financial statements illustrate an essentially accurate financial standing, performance, and consolidated cash flow for the year 2011.



(Mr. Prasert Bunsumpun)
Chairman



(Mr. Atikom Terbsiri)
President



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Auditor's Report

To the shareholders of IRPC Public Company Limited

I have audited the accompanying consolidated and company statements of financial position as at 31 December 2011 and 2010, and the related consolidated and company statements of income and comprehensive 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 2011 and 2010, 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

13 February 2012

Statements of Financial Position

IRPC Public Company Limited
As at 31 December 2011 and 2010

	Notes	Consolidated		Company	
		2011	2010	2011	2010
		Baht	Restated Baht	Baht	Restated Baht
Assets					
Current assets					
Cash and cash equivalents	7	2,955,619,081	4,770,201,346	2,210,538,254	3,306,831,851
Short-term investments - net	8	1,038,375,000	1,408,500,000	1,038,375,000	1,408,500,000
Trade accounts receivable - net	9, 34	9,923,938,106	11,056,282,199	11,077,072,194	12,499,239,246
Amounts due from related parties - net	34	121,431,279	18,967,767	132,149,633	25,843,723
Short-term loans to and interest receivables from related parties - net	34	-	-	12,271,186	73,943,661
Inventories - net	10	38,810,331,702	30,101,451,753	37,027,671,389	28,873,823,202
Other receivables	11	314,617,046	171,948,622	290,689,473	165,765,980
Refundable value added tax		1,538,159,793	1,013,271,237	1,538,145,273	1,004,491,362
Prepaid excise tax		77,093,154	322,670,286	77,093,154	322,670,286
Other current assets	36	667,849,529	443,823,370	589,712,647	380,344,612
Total current assets		55,447,414,690	49,307,116,580	53,993,718,203	48,061,453,923
Non-current assets					
Investments in subsidiaries and associates - net	12	154,750,050	73,320,659	4,539,060,910	4,509,064,227
Other long-term investments - net	13	39,933,751	48,333,800	37,798,547	46,594,527
Loans to and interest receivables from related parties - net	2.5, 34	3,292,812,913	3,292,812,913	3,878,348,025	4,613,018,179
Transactions with the former company's management and entities relating to the former management - net	35	71,843,504	71,844,304	37,566,792	37,566,792
Investment property - net	14	1,634,018,754	2,239,858,644	1,288,967,293	1,295,145,319
Property, plant and equipment - net	15	70,077,164,240	63,926,257,683	65,347,709,619	58,694,522,932
Intangible assets - net	16	1,398,702,361	1,462,752,370	1,393,847,658	1,458,008,541
Other non-current assets - net	17	59,803,154	35,900,605	58,733,316	34,681,852
Total non-current assets		76,729,028,727	71,151,080,978	76,582,032,160	70,688,602,369
Total assets		132,176,443,417	120,458,197,558	130,575,750,363	118,750,056,292

The notes to the consolidated and company financial statements from pages 137 to 206 are an integral part of these financial statements.

Statements of Financial Position (continued)

IRPC Public Company Limited
As at 31 December 2011 and 2010

	Notes	Consolidated		Company	
		2011	2010	2011	2010
		Baht	Restated Baht	Baht	Restated Baht
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	18	1,340,336,657	6,000,000,000	1,000,000,000	6,000,000,000
Trade accounts payable	20, 34	17,407,962,500	6,973,782,169	18,220,099,544	7,920,363,635
Amounts due to related parties	34	610,576,677	294,043,646	644,838,667	321,717,326
Loans from and interest payables to related parties	34	-	-	565,748,082	-
Current portion of long-term loans	18	2,000,000,000	-	2,000,000,000	-
Other payables		3,302,569,009	1,917,503,917	3,218,675,075	1,872,193,246
Advance received from exercising warrants under the Employee Stock Option Program in the process for registration		-	153,238,167	-	153,238,167
Interest payables		303,843,426	307,233,783	303,843,426	307,233,783
Accrued bonus expenses		1,119,822,400	1,114,177,707	1,038,532,378	1,037,739,541
Advance receipts for goods		915,730,699	788,656,448	761,961,360	666,025,021
Current portion of finance lease liabilities	19	43,839,203	24,748,313	43,414,398	24,571,067
Other current liabilities	36	597,570,114	531,115,770	500,768,814	405,866,249
Total current liabilities		27,642,250,685	18,104,499,920	28,297,881,744	18,708,948,035
Non-current liabilities					
Long-term borrowings - net	18	25,190,198,062	24,347,898,141	25,190,198,062	24,347,898,141
Finance lease liabilities	19	14,394,619	58,845,987	14,394,619	58,421,181
Loans from and interest payables to related parties	2.5, 34	2,254,892,788	2,254,892,788	2,254,892,788	2,254,892,788
Employee benefit obligations	21	1,030,883,169	864,449,665	949,002,085	797,123,055
Transactions with the former company's management and entities relating to the former management	35	113,261,322	113,261,322	112,538,619	112,538,619
Total non-current liabilities		28,603,629,960	27,639,347,903	28,521,026,173	27,570,873,784
Total liabilities		56,245,880,645	45,743,847,823	56,818,907,917	46,279,821,819

The notes to the consolidated and company financial statements from pages 137 to 206 are an integral part of these financial statements.

Statements of Financial Position (continued)

IRPC Public Company Limited
As at 31 December 2011 and 2010

	Notes	Consolidated		Company	
		2011 Baht	2010 Restated Baht	2011 Baht	2010 Restated Baht
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	22				
Authorised shares (Ordinary shares 20,475 million shares of par Baht 1)		<u>20,475,000,000</u>	<u>20,475,000,000</u>	<u>20,475,000,000</u>	<u>20,475,000,000</u>
Issued and paid-up shares (2011: Ordinary shares 20,434 million shares of par Baht 1) (2010: Ordinary shares 20,170 million shares of par Baht 1)		20,434,419,246	20,169,813,900	20,434,419,246	20,169,813,900
Premium on share capital	22	28,554,212,397	28,056,754,347	28,554,212,397	28,056,754,347
Changes in fair value of marketable securities - available-for-sale	13	(4,510,899)	3,889,170	(1,628,775)	7,167,225
Retained earnings					
- Appropriated for legal reserve	23	2,047,500,000	2,047,500,000	2,047,500,000	2,047,500,000
- Unappropriated		24,955,226,482	24,514,451,054	22,722,339,578	22,188,999,001
<u>Less</u> Treasury stock - own shares held by a subsidiary	24	(124,282,649)	(134,714,649)	-	-
Premium on treasury stock	22	<u>15,177,080</u>	<u>12,759,080</u>	-	-
Total equity attributable to the parent company		<u>75,877,741,657</u>	<u>74,670,452,902</u>	<u>73,756,842,446</u>	<u>72,470,234,473</u>
Non-controlling interests	25	<u>52,821,115</u>	<u>43,896,833</u>	-	-
Total shareholders' equity		<u>75,930,562,772</u>	<u>74,714,349,735</u>	<u>73,756,842,446</u>	<u>72,470,234,473</u>
Total liabilities and shareholders' equity		<u>132,176,443,417</u>	<u>120,458,197,558</u>	<u>130,575,750,363</u>	<u>118,750,056,292</u>

Income Statements – by function of expense

IRPC Public Company Limited
For the years ended 31 December 2011 and 2010

	Notes	Consolidated		Company	
		2011	2010	2011	2010
		Baht	Restated Baht	Baht	Restated Baht
Sales	33, 34	246,887,842,532	221,611,018,794	254,916,904,672	229,877,043,682
Cost of sales	34	(235,491,021,272)	(212,318,688,461)	(243,990,952,414)	(221,265,692,466)
Gross profit		<u>11,396,821,260</u>	<u>9,292,330,333</u>	<u>10,925,952,258</u>	<u>8,611,351,216</u>
Other income/(other expenses)	26, 34	(791,843,857)	1,857,441,254	(294,829,179)	2,369,093,850
Selling expenses	34	(986,303,510)	(1,141,423,372)	(1,072,974,841)	(1,246,354,769)
Administrative expenses	27, 34	(3,677,265,687)	(3,270,712,355)	(3,569,483,737)	(2,469,576,405)
Profit from operations		<u>5,941,408,206</u>	<u>6,737,635,860</u>	<u>5,988,664,501</u>	<u>7,264,513,892</u>
Finance costs	29	(1,789,796,390)	(532,678,441)	(1,785,043,483)	(532,622,948)
Share of profit of investments in associates	12	51,429,411	28,999,838	-	-
Profit before income tax		<u>4,203,041,227</u>	<u>6,233,957,257</u>	<u>4,203,621,018</u>	<u>6,731,890,944</u>
Income tax	30	(85,141,892)	(130,044,868)	-	-
Net profit for the year		<u>4,117,899,335</u>	<u>6,103,912,389</u>	<u>4,203,621,018</u>	<u>6,731,890,944</u>
Profit attributable to:					
Shareholders of the parent		4,106,766,757	6,099,942,616	4,203,621,018	6,731,890,944
Non-controlling interests		11,132,578	3,969,773	-	-
Net profit for the year		<u>4,117,899,335</u>	<u>6,103,912,389</u>	<u>4,203,621,018</u>	<u>6,731,890,944</u>
Earnings per share for profit attributable to shareholders of the parent (Baht)	31				
Basic		<u>0.20</u>	<u>0.30</u>	<u>0.21</u>	<u>0.34</u>
Diluted		<u>0.20</u>	<u>0.30</u>	<u>0.21</u>	<u>0.33</u>

Statements of Comprehensive Income

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

	Consolidated		Company	
	2011 Baht	2010 Restated Baht	2011 Baht	2010 Restated Baht
Net profit for the year	4,117,899,335	6,103,912,389	4,203,621,018	6,731,890,944
Other comprehensive income/(loss):				
- Available-for-sale investments	(8,400,069)	13,494,344	(8,796,000)	13,006,500
Other comprehensive income/(loss) for the year, net of tax	(8,400,069)	13,494,344	(8,796,000)	13,006,500
Total comprehensive income for the year	4,109,499,266	6,117,406,733	4,194,825,018	6,744,897,444
Total comprehensive income attributable to:				
Owners of the parent	4,098,366,688	6,113,436,960	4,194,825,018	6,744,897,444
Non-controlling interests	11,132,578	3,969,773	-	-
	<u>4,109,499,266</u>	<u>6,117,406,733</u>	<u>4,194,825,018</u>	<u>6,744,897,444</u>

Statements of Changes in Shareholders' equity

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

Consolidated												
Shareholders of the Parent												
Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Other components of shareholders' equity	Shares held by the subsidiaries Baht	Premium on treasury stock Baht	Total shareholders of the Parent Baht	Non-controlling interests		Total Baht	
			Legal reserve Baht	Unappropriated Baht					comprehensive income Available-for-sale investments Baht	Baht		Baht
Balance at 1 January 2010	19,829,150,400	27,416,306,967	2,047,500,000	22,796,148,250	(9,605,174)	(226,501,324)	-	71,852,999,119	47,656,536	71,900,655,655		
Changes in accounting policy	-	-	-	-	-	-	-	(781,705,918)	-	(781,705,918)		
- Employee benefit obligations	2.3	-	-	(781,705,918)	-	-	-	-	-	-		
Balance after restatement	19,829,150,400	27,416,306,967	2,047,500,000	22,014,442,332	(9,605,174)	(226,501,324)	-	71,071,293,201	47,656,536	71,118,949,737		
A subsidiary under bankruptcy process	22	-	-	-	-	-	-	-	(450)	(450)		
Common shares	340,663,500	640,447,380	-	-	-	-	12,759,080	993,869,960	-	993,869,960		
Dividends	32	-	-	(3,599,933,894)	-	-	-	(3,599,933,894)	(7,729,026)	(3,607,662,920)		
Own shares held by subsidiaries	-	-	-	-	-	91,786,675	-	91,786,675	-	91,786,675		
Total comprehensive income for the year	-	-	-	6,099,942,616	13,494,344	-	-	6,113,436,960	3,969,773	6,117,406,733		
Balance at 31 December 2010	20,169,813,900	28,056,754,347	2,047,500,000	24,514,451,054	3,889,170	(134,714,649)	12,759,080	74,670,452,902	43,896,833	74,714,349,735		
Balance at 1 January 2011	20,169,813,900	28,056,754,347	2,047,500,000	25,378,900,719	3,889,170	(134,714,649)	12,759,080	75,534,902,567	43,896,833	75,578,799,400		
Changes in accounting policy	-	-	-	-	-	-	-	(864,449,665)	-	(864,449,665)		
- Employee benefit obligations	2.3	-	-	(864,449,665)	-	-	-	-	-	-		
Balance after restatement	20,169,813,900	28,056,754,347	2,047,500,000	24,514,451,054	3,889,170	(134,714,649)	12,759,080	74,670,452,902	43,896,833	74,714,349,735		
Common shares	264,605,346	497,458,050	-	-	-	-	2,418,000	764,481,396	-	764,481,396		
Dividends	32	-	-	(3,665,991,329)	-	-	-	(3,665,991,329)	(2,208,296)	(3,668,199,625)		
Own shares held by a subsidiary	-	-	-	-	-	10,432,000	-	10,432,000	-	10,432,000		
Total comprehensive income/(loss) for the year	-	-	-	4,106,766,757	(8,400,069)	-	-	4,098,366,688	11,132,578	4,109,499,266		
Balance at 31 December 2011	20,434,419,246	28,554,212,397	2,047,500,000	24,955,226,482	(4,510,899)	(124,282,649)	15,177,080	75,877,741,657	52,821,115	75,930,562,772		

The notes to the consolidated and company financial statements from pages 137 to 206 are an integral part of these financial statements.

Statements of Changes in Shareholders' equity (continued)

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

	Notes	Company					
		Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Other components of shareholders' equity Other comprehensive income Available-for-sale investments Baht	Total shareholders' equity Baht
				Legal reserve Baht	Unappropriated Baht		
Balance at 1 January 2010		19,829,150,400	27,416,306,967	2,047,500,000	19,787,319,149	(5,839,275)	69,074,437,241
Changes in accounting policy		-	-	-	-	-	-
- Employee benefit obligations	2.3	-	-	-	(722,235,625)	-	(722,235,625)
Balance after restatement		19,829,150,400	27,416,306,967	2,047,500,000	19,065,083,524	(5,839,275)	68,352,201,616
Common shares	22	340,663,500	640,447,380	-	-	-	981,110,880
Dividends	32	-	-	-	(3,607,975,467)	-	(3,607,975,467)
Total comprehensive income for the year		-	-	-	6,731,890,944	13,006,500	6,744,897,444
Balance at 31 December 2010		20,169,813,900	28,056,754,347	2,047,500,000	22,188,999,001	7,167,225	72,470,234,473
Balance at 1 January 2011		20,169,813,900	28,056,754,347	2,047,500,000	22,986,122,056	7,167,225	73,267,357,528
Changes in accounting policy		-	-	-	(797,123,055)	-	(797,123,055)
- Employee benefit obligations	2.3	-	-	-	-	-	-
Balance after restatement		20,169,813,900	28,056,754,347	2,047,500,000	22,188,999,001	7,167,225	72,470,234,473
Common shares	22	264,605,346	497,458,050	-	-	-	762,063,396
Dividends	32	-	-	-	(3,670,280,441)	-	(3,670,280,441)
Total comprehensive income/(loss) for the year		-	-	-	4,203,621,018	(8,796,000)	4,194,825,018
Balance at 31 December 2011		20,434,419,246	28,554,212,397	2,047,500,000	22,722,339,578	(1,628,775)	73,756,842,446

The notes to the consolidated and company financial statements from pages 137 to 206 are an integral part of these financial statements.

Statements of Cash Flows

IRPC Public Company Limited
For the years ended 31 December 2011 and 2010

	Consolidated		Company	
	2011 Baht	2010 Restated Baht	2011 Baht	2010 Restated Baht
Cash flows from operating activities				
Profit attributable to equity holders of the parent	4,106,766,757	6,099,942,616	4,203,621,018	6,731,890,944
Adjustments to reconcile net profit to net cash provided by operating activities				
- Depreciation	3,410,987,626	3,203,821,572	3,130,249,403	2,916,420,131
- Amortisation	183,463,539	179,736,728	183,380,587	179,706,303
- Interest income	(130,730,701)	(68,568,207)	(220,978,370)	(82,558,050)
- Dividends income	(50,030,525)	(39,212,388)	(435,030,192)	(569,212,280)
- Bad debts and doubtful accounts/ (reversal of allowance for doubtful accounts)	32,949,339	30,783,958	28,418,282	(628,688,244)
- Allowance/(Reversal of) for declining in value of inventories	65,319,929	(58,853,175)	20,796,504	(60,629,375)
- Unrealised gains on exchange rate	(75,791,696)	(15,449,167)	(75,382,793)	(17,391,448)
- Unrealised gains from changes in fair values of financial instruments	(62,331,980)	(125,162,970)	(62,331,980)	(125,162,970)
- (Gains)/losses from disposals and revaluation of investments	350,398,562	(639,000,000)	351,074,617	(639,000,000)
- Losses from disposals of fixed assets	407,414,726	32,555,407	391,099,360	14,956,508
- Allowance/(reversal of) for impairment of fixed assets	104,099,562	(90,716,341)	120,862,763	(86,758,536)
- Share of profit of investments in associates - equity method	(51,429,411)	(28,999,838)	-	-
- Profit attributable to non-controlling interests	11,132,578	3,969,773	-	-
- Income tax	85,141,891	130,044,868	-	-
- Finance costs	1,789,796,390	532,678,441	1,785,043,483	532,622,948
- Employee benefit expenses	166,433,503	82,743,747	151,879,030	74,887,430
	10,343,590,089	9,230,315,024	9,572,701,712	8,241,083,361
Changes in operating assets and liabilities				
- Trade accounts receivable	1,195,010,353	(3,041,228,356)	1,487,222,848	(3,104,017,638)
- Inventories	(8,774,199,877)	592,195,424	(8,174,644,691)	769,182,436
- Other receivables	(149,526,343)	113,792,222	(131,864,412)	84,648,739
- Amounts due from related parties	(102,463,512)	309,415,342	(106,305,910)	366,383,276
- Refundable value added tax	(524,888,556)	762,951,843	(533,653,911)	766,335,413
- Prepaid excise tax	245,577,132	154,487,187	245,577,132	154,487,187
- Other current assets	(103,745,531)	135,187,121	(89,718,018)	231,458,202
- Trade accounts payable	10,429,972,603	(2,039,843,012)	10,297,343,798	(2,590,162,981)
- Other payables	(175,578,990)	(232,218,349)	(199,385,456)	(305,671,928)
- Amounts due to related parties	316,533,031	277,662,728	323,121,341	275,013,232
- Accrued bonus expenses	5,644,693	190,158,789	792,837	167,089,271
- Advance receipts for goods	127,074,251	(15,199,577)	95,936,339	(31,850,172)
- Other current liabilities	173,986,165	(81,044,293)	202,434,386	(23,726,084)
- Proceeds from withholding tax refund	36,240,144	84,593,596	-	-
Net cash provided by operating activities	13,043,225,652	6,441,225,689	12,989,557,995	5,000,252,314
- Income tax paid	(183,821,015)	(115,301,656)	(61,808,370)	(32,853,737)
Cash inflows from operating activities	12,859,404,637	6,325,924,033	12,927,749,625	4,967,398,577

The notes to the consolidated and company financial statements from pages 137 to 206 are an integral part of these financial statements.

Statements of Cash Flows (continued)

IRPC Public Company Limited
For the years ended 31 December 2011 and 2010

	Consolidated		Company	
	2011 Baht	2010 Restated Baht	2011 Baht	2010 Restated Baht
Cash flows from investing activities				
Interest received	121,673,153	69,421,324	318,421,055	65,027,161
Dividends received	50,030,525	39,212,388	435,030,192	569,212,280
Net cash received from disposals of short-term investments	19,726,438	-	19,726,438	-
Proceeds/(Payments) from short-term loans and long-term loans to and interest receivables from related parties	9,058,348	-	698,899,944	(928,069)
Proceeds from capital reduction in a subsidiary	-	-	-	28,124,831
Purchases of investment in an associate	(30,000,000)	-	(30,000,000)	-
Proceeds from disposals of long-term investments	-	-	28,412	-
Purchases of fixed assets	(7,860,149,085)	(6,173,162,525)	(8,665,750,974)	(5,925,404,906)
Proceeds from disposals of fixed assets	53,716,358	46,259,257	22,188,675	43,580,181
Increase in intangible assets	(117,947,631)	(75,911,213)	(117,753,804)	(71,136,960)
(Increase)/decrease in other non-current assets	(25,368,448)	6,131,064	(25,517,363)	6,615,499
Net cash used in investing activities	(7,779,260,342)	(6,088,049,705)	(7,344,727,425)	(5,284,909,983)
Cash flows from financing activities				
Interest paid net of interest rate swap contracts and financing fees	(1,622,913,026)	(1,336,467,510)	(1,620,682,710)	(1,373,524,114)
Dividends paid	(3,665,991,329)	(3,599,933,894)	(3,670,280,441)	(3,607,975,467)
Payments on termination of swap contracts	(8,742,726)	(24,891,653)	(8,742,726)	(24,891,653)
Proceeds on short-term loans from related parties	2,748,082	-	565,748,082	-
Proceeds/(payments) from short-term loans from financial institutions	(4,664,934,016)	500,000,000	(5,000,000,000)	500,000,000
Proceeds from long-term loans from financial institutions	2,471,000,000	2,737,000,000	2,471,000,000	2,737,000,000
Payments on finance lease	(25,360,477)	(26,984,183)	(25,183,231)	(26,823,393)
Proceeds from issuance of ordinary shares	621,675,229	1,085,656,635	608,825,229	981,110,880
Net cash received in advance from exercising warrants under Employee Stock Option Program	-	42,862,994	-	42,862,994
Dividends paid to non-controlling interests	(2,208,297)	(7,729,026)	-	-
Net cash used in financing activities	(6,894,726,560)	(630,486,637)	(6,679,315,797)	(772,240,753)
Net decrease in cash and cash equivalents	(1,814,582,265)	(392,612,309)	(1,096,293,597)	(1,089,752,159)
Cash and cash equivalents at beginning of the year	4,770,201,346	5,162,813,655	3,306,831,851	4,396,584,010
Cash and cash equivalents at end of the year	2,955,619,081	4,770,201,346	2,210,538,254	3,306,831,851
Non-cash transactions				
Accounts payable - purchases of fixed assets	1,840,879,837	288,994,010	1,809,283,405	272,174,374

The notes to the consolidated and company financial statements from pages 137 to 206 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 2011 and 2010

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, Choengnue District, Aumthur Muang, Rayong Province. The Company and subsidiaries’ office is at 555/2 Energy Complex, Building B, 6th floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900.

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 13 February 2012.

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.

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.

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

Commencing 1 January 2011, the Group has applied the following new accounting standards, new financial reporting standards, new interpretations, and amendments to accounting standards (collectively “the accounting standards”) that are mandatory for the financial year beginning on or after 1 January 2011. However,

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

2 Accounting policies (continued)

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

the application of those accounting standards will not have significant impact to the financial statements being presented, except the following accounting standards.

- TAS 1 (Revised 2009), the revised standard will prohibit the presentation of items of income and expenses in the statement of changes in equity. Entities can choose to present the statement of comprehensive income in one statement or two statements (the statement of income and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements which period beginning on or after 1 January 2011 and are the first period apply this standard, an entity can choose to present statement of financial position only two statements without the statement of financial position as at the beginning comparative period. The Group has chosen to present the statement of income and statement of comprehensive income.

- TAS 16 (Revised 2009), the revised standard requires the entity to include in cost of PPE, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has obligation to do. An entity requires that an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The revised standard also requires an entity to review useful life, residual value and depreciation method at least at each financial year-end. However, the revised standard does not have significant impact to the property, plant and equipment of the Group, excepting for the change in accounting policy relating to turnaround costs as explained in Note 2.4.

- 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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

2 Accounting policies (continued)

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

- 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 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, the employee stock options of the Group 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.

The effects of the application of the new accounting policies are adjusted retrospectively with impact to the statement of the financial position as at 31 December 2010 and the statement of income for the year ended 31 December 2010 are as follows:

	Consolidated Baht'000	Company Baht'000
Statement of financial position as at 31 December 2010		
Investment property - increase	2,239,859	1,295,145
Property, plant and equipment - net decrease	(2,239,859)	(1,295,145)
Employee benefit obligations - increase	864,450	797,123
Retained earnings - decrease	(864,450)	(797,123)
Statement of income for the year ended 31 December 2010		
Employee benefit expenses - increase	82,744	74,887
Basic earnings per share - decrease (Baht)	0.01	0.01
Diluted earnings per share - decrease (Baht)	0.01	0.01

The details of the accounting policies regarding the above transactions are explained in the Notes 2.12, 2.13, and 2.19.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

2 Accounting policies (continued)

2.3 New accounting standard, amendments to accounting standards, and interpretations of accounting standards being effective for the periods beginning on or after 1 January 2013 and are relevant to the Group are as follows:

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
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Group does not early adopt the above accounting standards and interpretations. The Group's management in the process of reviewing the impacts of the above standards.

2.4 Change in accounting policy relating to turnaround costs

Previously, the Group recognised turnaround costs as expense when incurred. Commencing from 2011, the Group has changed the accounting policy relating to turnaround costs by capitalising these costs when incur. A turnaround is a periodically required standard procedure for maintenance of refinery and petrochemical plants that involves the shutdown and inspection of major processing units which occurs approximately every five years. Turnaround costs include actual direct and contract labour including related employee costs of maintenance and production departments, material costs incurred for the overhaul, inspection and the replacement of major components of processing and support units performed during turnaround.

Turnaround costs, which are included in the consolidated and company's property, plant and equipment, are depreciated on a straight-line basis over the period until the next scheduled turnaround. The depreciation of the turnaround costs is presented as depreciation expense in the consolidated and company's statements of income.

According to the TAS 16 (Revised 2009), the Group has adopted the prospective approach by capitalising the turnaround costs of Baht 2,112 million incurred during 2011, presented as additions of Note 15 and derecognise related items included in PPE at acquisition date at the estimated net book value of Baht 375 million.

2.5 Financial statements of a subsidiary - TPI Aromatics Public Company Limited

During the forth 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 2011 and 2010

2 Accounting policies (continued)

2.5 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 onwards.

The outstanding balances of assets and liabilities of the Group transacted with TPI Aromatics Public Company Limited presented in the consolidated and company statements of financial position as at 31 December 2011 and 2010 are as follows:

As at 31 December 2011 and 2010	Consolidation Baht million	Company Baht million
Assets		
Investment in subsidiary, net of allowance for impairment of Baht 4,100 million	-	-
Loans to and interest receivable, net of allowances - Note 34 (e)	3,293	3,076
Total assets	<u>3,293</u>	<u>3,076</u>
Liabilities		
Loans from and interest payables - Note 34 (h)	2,255	2,255
Total liabilities	<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 in the consolidated and company statements of financial position are approximately Baht 1,038 million and Baht 821 million, respectively. The Group has anticipated that the recoverable amount will flow from the assets to be sold of the subsidiary, which is mainly land.

2.6 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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

2 Accounting policies (continued)

2.6 Group accounting - Investment in subsidiaries and associates (continued)

(1) Subsidiaries (continued)

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.

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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

2 Accounting policies (continued)

2.7 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 statement of financial position 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.

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 items are translated at the exchange rates ruling on the statement of financial position 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.

2.8 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 statement of financial position.

2.9 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.

2.10 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 is 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 by considering the future use of those inventories.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

2 Accounting policies (continued)

2.11 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.

(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 statement of financial position 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 statement of financial position 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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

2 Accounting policies (continued)

2.12 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property of the Group is land and building held for long-term rental yields or for capital appreciation, including certain land which is currently undetermined for future use.

Investment property is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at cost less accumulated impairment losses (if any).

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

2.13 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.

	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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

2 Accounting policies (continued)

2.13 Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Please see Note 2.4 regarding the change in accounting policy relating to turnaround costs.

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.

2.14 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

2.15 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 financial position date.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

2 Accounting policies (continued)

2.16 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.

2.17 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.

2.18 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.

2.19 Employee benefits

The Group has post-employment benefits both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

2 Accounting policies (continued)

2.19 Employee benefits (continued)

Defined benefit plans

- Retirement benefit

Under Labour Laws applicable in Thailand and Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of final salary.

- Other long-term benefits

The Group has policy to reward gold to the employees who have provided the services to the Group upon 10 years anniversary and on 1 January 2011, the Group has approved the additional policy to reward gold to the employees who have provided the services to the Group upon 20 years anniversary.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that have terms to maturity approximating to the terms of the related pension liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Defined contribution plans

- Provident fund

The Group operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the statement of income in the years to which they relate.

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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

2 Accounting policies (continued)

2.20 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.

2.21 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.

2.22 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.

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.

2.23 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.

2.24 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).

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

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.

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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

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

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, time spread swap contracts and collar 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, and commodity derivatives. 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.

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, time spread swap contracts and collar 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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

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

3.4 Fair value estimation of derivatives

The fair value of publicly traded derivatives is based on quoted market prices at the financial position 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 financial position date. The fair values of crack spread swap contracts, time spread swap contracts and collar swap contracts are calculated by the offering selling and buying price at the statement of financial position date quoted by the financial institutions of the Group at the financial position 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.

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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

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

	Consolidated				
	Petrochemical products	Petroleum products	Other business segment	Elimination entries	Total
	Baht million	Baht million	Baht million	Baht million	Baht million
For the year ended 31 December 2011					
Sales	74,835	198,614	6,963	(33,524)	246,888
Operating profit	236	4,543	646	466	5,891
Unallocated other income					83
Unallocated other expenses					(44)
Finance costs					(1,790)
Share of profit of investments in associates					52
Income tax					(85)
Net profit for the year					4,107
Segment fixed assets	21,878	23,116	23,034	(288)	67,740
Unallocated fixed assets					2,337
Segment other assets	11,434	38,000	3,834	(3,094)	50,174
Unallocated other assets					11,925
Consolidated total assets					132,176

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

6 Segment information (continued)

	Consolidated				
	Restated				
	Petrochemical products Baht million	Petroleum products Baht million	Other business segment Baht million	Elimination entries Baht million	Total Baht million
For the year ended 31 December 2010					
Sales	77,356	173,593	4,139	(33,477)	221,611
Operating profit/(loss)	3,834	1,232	(496)	464	5,034
Unallocated other income					1,735
Unallocated other expenses					(35)
Finance costs					(533)
Share of profit of investments in associates					29
Income tax					(130)
Net profit for the year					6,100
Segment fixed assets	19,848	22,258	15,609	(917)	56,798
Unallocated fixed assets					7,128
Segment other assets	10,565	33,306	2,899	(3,278)	43,492
Unallocated other assets					13,040
Consolidated total assets					120,458

7 Cash and cash equivalents

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Cash on hand	1	2	-	-
Current accounts	1,690	3,319	1,318	2,654
Saving accounts	1,265	1,149	893	653
Short term investments	-	300	-	-
Total	2,956	4,770	2,211	3,307

As at 31 December 2011, saving accounts and current accounts bear interest at the average rates between 0.01% and 2.65% per annum (2010: saving accounts and current accounts bear interest at the average rates between 0.10% and 1.60% per annum, and for short-term investments at the rate 1.90% per annum). Cash and cash equivalents are mainly Baht.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

8 Short-term investments - net

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Equity securities held for trading	1,512	1,534	1,512	1,534
<u>Less</u> Allowance for revaluation of investments	(474)	(125)	(474)	(125)
Net	<u>1,038</u>	<u>1,409</u>	<u>1,038</u>	<u>1,409</u>

Movements of equity securities held for trading during the years ended 31 December 2011 and 2010 are as follows:

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Opening net book value	1,409	770	1,409	770
Additions	-	-	-	-
Disposals	(22)	-	(22)	-
Changes in fair value of investments (Note 26)	(349)	639	(349)	639
Closing net book value	<u>1,038</u>	<u>1,409</u>	<u>1,038</u>	<u>1,409</u>

9 Trade accounts receivable - net

	Notes	Consolidated		Company	
		2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Trade accounts receivable					
- Other parties		9,207	10,255	8,866	9,882
- Related parties	34	1,016	1,074	2,407	2,791
Total		10,223	11,329	11,273	12,673
<u>Less</u> Allowance for doubtful debts		(299)	(273)	(196)	(174)
Net		<u>9,924</u>	<u>11,056</u>	<u>11,077</u>	<u>12,499</u>

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

9 Trade accounts receivable – net (continued)

Aging analysis of trade accounts receivable as at 31 December 2011 and 2010 is as follows:

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Other parties				
Current	8,584	9,950	8,351	9,690
Overdue				
- less than 3 months	318	32	314	23
- over 3 months but less than 12 months	21	20	20	20
- over 12 months	284	253	181	149
	<u>623</u>	<u>305</u>	<u>515</u>	<u>192</u>
	9,207	10,255	8,866	9,882
<u>Less</u> Allowance for doubtful debts	(299)	(273)	(196)	(169)
Net	<u>8,908</u>	<u>9,982</u>	<u>8,670</u>	<u>9,713</u>
Related parties				
Current	1,015	1,074	2,406	2,786
Overdue				
- less than 3 months	-	-	-	-
- over 3 months but less than 12 months	1	-	1	-
- over 12 months	-	-	-	5
	<u>1</u>	<u>-</u>	<u>1</u>	<u>5</u>
	1,016	1,074	2,407	2,791
<u>Less</u> Allowance for doubtful debts	-	-	-	(5)
Net	<u>1,016</u>	<u>1,074</u>	<u>2,407</u>	<u>2,786</u>
Net	<u>9,924</u>	<u>11,056</u>	<u>11,077</u>	<u>12,499</u>

10 Inventories – net

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Raw materials	8,841	5,230	8,488	4,914
Work in process	19	163	8	1
Finished goods	20,021	16,923	19,135	16,549
Chemicals and fuel oil	873	593	640	514
Spare parts and repair materials	2,063	1,976	1,821	1,745
Goods in transit	6,993	5,216	6,936	5,151
Net	<u>38,810</u>	<u>30,101</u>	<u>37,028</u>	<u>28,874</u>

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

10 Inventories – net (continued)

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 2011, the inventories included a minimum mandatory reserve on crude oil, liquid petroleum gas, and petroleum product amounting to Baht 9,186 million and Baht 9,133 million in the consolidated and company financial statements, respectively (2010: Baht 7,836 million and Baht 7,794 million in the consolidated and company financial statements, respectively). These amounts were net of allowance for net realisable value.

Inventories are presented net of allowance for net realisable value.

11 Other receivables

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Receivables from Excise Department and Oil Fund	245	116	245	116
Others	70	56	46	50
Total	315	172	291	166

12 Investments in subsidiaries and associates – net

Details of investments in subsidiaries and associates as at 31 December 2011 and 2010 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 and an associate for the year ended 31 December 2011.

Direct subsidiaries

- International Plastic Trading Co., Ltd. In the process of dissolution with the Ministry of Commerce
- TPI Aromatics Public Company Limited Under supervision of Custodian Officer (See Note 2.5)

Associate

- The Company acquired common shares of PTT Energy Solutions Company Limited of 300,000 shares at Baht 100 per share (par value of Baht 100 per share), totalling Baht 30 million. As a result, the Company holds 20% of its total common shares in the associate. The Company has fully paid for the shares acquired.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

12 Investments in subsidiaries and associates – net (continued)

a) Details of investments in subsidiaries and associates as at 31 December 2011 and 2010 are as follows:

	Consolidated												
	Paid-up capital		Cost method		Equity metho		Impairment		Net		Dividends income		
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million	
Subsidiary under bankruptcy process (Note 2.5)													
TPI Aromatics Public Company Limited	4,100	4,100	4,100	4,100	-	-	(4,100)	(4,100)	-	-	-	-	-
Associates													
Active associates													
PTT Polymer Marketing Co., Ltd.	40	40	58	58	123	73	-	-	123	73	-	-	-
PTT Energy Solutions Co., Ltd.	150	-	30	-	32	-	-	-	32	-	-	-	-
Non-active associates													
Kapuluan Holding Corp.	Peso 1	Peso 1	-	-	-	-	-	-	-	-	-	-	-
Phil Thai Holding Corp. (Below Baht 1 million)													
Total			4,188	4,158	155	73	(4,100)	(4,100)	155	73	-	-	-

b) The Group's share of assets, liabilities, income, and share of profit 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 (Baht million)	% Interest held
As at 31 December 2011							
PTT Polymer Marketing Co., Ltd.	Sales of plastic resin	Thailand	1,656	1,535	15,865	50	25
PTT Energy Solutions Co., Ltd.	Engineering consulting	Thailand	42	11	17	2	20
Kapuluan Holding Corp.	Investing in other business	Philippines	-	-	-	-	39.99
Phil Thai Holding Corp.	Investing in other business	Thailand	-	-	-	-	39.99
As at 31 December 2010							
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

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

12 Investments in subsidiaries and associates – net (continued)

c) Details of investments in subsidiaries and associates as at 31 December 2011 and 2010 are as follows:

	Company											
	Ownership interest		Paid-up capital		Cost method		Impairment		Net		Dividend income	
	2011 (%)	2010 (%)	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Subsidiaries												
Active subsidiaries												
Thai ABS Co., Ltd. and a subsidiary	99.99	99.99	2,500	2,500	2,500	2,500	-	-	2,500	2,500	325	500
- IRPC A&L Co., Ltd.												
IRPC Oil Co., Ltd. and a subsidiary	59.94	59.94	2,000	2,000	2,000	(718)	(718)	1,282	1,282	-	-	-
- Rak Phasuk Co., Ltd.												
(formerly TPI Oil (2001) Co., Ltd.)												
IRPC Polyol Co., Ltd.	99.99	99.99	300	300	300	-	-	300	300	60	30	30
IRPC Technology Co., Ltd.	99.99	99.99	750	750	750	(476)	(476)	274	274	-	-	-
Non-active subsidiaries												
Thai Polyurethane Industry Co., Ltd.	99.99	99.99	9	9	9	-	-	9	9	-	-	-
IRPC Energy Co., Ltd.	99.99	99.99	3,342	3,342	3,342	(3,257)	(3,257)	85	85	-	-	-
IRPC Service Co., Ltd.	99.50	99.50	-	-	-	-	-	-	-	-	-	-
(Below Baht 1 million)												
TPI Internet Portal Co., Ltd.	99.89	99.89	-	-	-	-	-	-	-	-	-	-
International Plastic Trading Co., Ltd.	99.01	99.01	4	4	4	(3)	(3)	1	1	-	-	-
Rayong Tank Terminal Co., Ltd.	99.99	99.99	-	-	1,000	(1,000)	(1,000)	-	-	-	-	-
TPI Aromatics PCL												
Thai Petrochemical Industry (Cayman Island) Ltd.	99.99	99.99	4,100	4,100	4,100	(4,100)	(4,100)	-	-	-	-	-
TPI Philippines Vinyl Corp.	100.00	100.00	352	352	352	(352)	(352)	-	-	-	-	-
Asian Dragon Oil Refinery Corp.	99.99	99.99	Peso 17	Peso 17	17	(17)	(17)	-	-	-	-	-
(Below Baht 1 million)												
Total subsidiaries					14,374	14,374	(9,923)	(9,923)	4,451	4,451	385	530
Associates												
Active associates												
PTT Polymer Marketing Co., Ltd.	25.00	25.00	40	40	58	-	-	58	58	-	-	-
PTT Energy Solutions Co., Ltd.	20.00	20.00	150	-	30	-	-	30	-	-	-	-
Non-active associates												
Kapuhan Holding Corp.	39.99	39.99	Peso 1	Peso 1	-	-	-	-	-	-	-	-
Phil Thai Holding Corp.	39.99	39.99	-	-	-	-	-	-	-	-	-	-
(Below Baht 1 million)												
Total associates			88	58	88	-	-	88	58	-	-	-
Total subsidiaries and associates			14,462	14,432	14,462	(9,923)	(9,923)	4,539	4,509	385	530	

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

12 Investments in subsidiaries and associates – net (continued)

Movement of investments in subsidiaries and associates for the years ended 31 December 2011 and 2010 are as follows:

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Opening net book amount	73	44	4,509	4,537
Share of profit of associates – equity method	52	29	-	-
Purchase of shares in an associate	30	-	30	-
Capital reduction in a subsidiary	-	-	-	(28)
Closing net book amount	155	73	4,539	4,509

13 Other long-term investments – net

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Marketable equity securities – available-for sales	539	539	534	534
Less Allowances for revaluation of investments	(518)	(510)	(515)	(506)
	21	29	19	28
General equity securities – cost method	1,252	1,252	1,053	1,053
Less Allowances for impairment	(1,233)	(1,233)	(1,034)	(1,034)
	19	19	19	19
Net	40	48	38	47

The Group is considering whether to dispose or do other possible alternatives regarding the above investments to maximise the benefits to the Group.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

13 Other long-term investments – net (continued)

Movement of other long-term investments for the year ended 31 December 2011 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	29	48
Additions	-	-	-
Disposals	-	-	-
Changes in fair value	-	(8)	(8)
Closing net book amount	<u>19</u>	<u>21</u>	<u>40</u>

	Company		
	General equity securities – cost method Baht million	Available-for-sale securities Baht million	Total Baht million
Opening net book amount	19	28	47
Additions	-	-	-
Disposals	-	-	-
Changes in fair value	-	(9)	(9)
Closing net book amount	<u>19</u>	<u>19</u>	<u>38</u>

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

14 Investment property – net

The Group has investment property which are land that have not been determined for the purpose of use, and major buildings which are for rent in the consolidated and company financial statements as follows:

	Consolidated		
	Land Baht million	Buildings Baht million	Total Baht million
As at 31 December 2009			
Cost	3,054	177	3,231
<u>Less</u> Accumulated depreciation	-	(104)	(104)
<u>Less</u> Allowance for impairment	(874)	(6)	(880)
Net book amount	2,180	67	2,247
For the year ended 31 December 2010			
Opening net book amount	2,180	67	2,247
Depreciation	-	(7)	(7)
Closing net book amount	2,180	60	2,240
As at 31 December 2010			
Cost	3,054	177	3,231
<u>Less</u> Accumulated depreciation	-	(111)	(111)
<u>Less</u> Allowance for impairment	(874)	(6)	(880)
Net book amount	2,180	60	2,240
For the year ended 31 December 2011			
Opening net book amount	2,180	60	2,240
Disposals - net	(37)	(8)	(45)
Transfer to property, plant and equipment	(572)	-	(572)
Depreciation	-	(7)	(7)
Reversal of impairment	17	1	18
Closing net book amount	1,588	46	1,634
As at 31 December 2011			
Cost	2,445	154	2,599
<u>Less</u> Accumulated depreciation	-	(103)	(103)
<u>Less</u> Allowance for impairment	(857)	(5)	(862)
Net book amount	1,588	46	1,634
Fair value as at 31 December 2010	2,845	63	2,908
Fair value as at 31 December 2011	1,864	56	1,920

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

14 Investment property - net (continued)

The Group has investment property in the consolidated and company financial statements as follows: (continued)

	Company		
	Land Baht million	Buildings Baht million	Total Baht million
As at 31 December 2009			
Cost	1,828	30	1,858
<u>Less</u> Accumulated depreciation	-	(16)	(16)
<u>Less</u> Allowance for impairment	(546)	-	(546)
Net book amount	<u>1,282</u>	<u>14</u>	<u>1,296</u>
For the year ended 31 December 2010			
Opening net book amount	1,282	14	1,296
Depreciation	-	(1)	(1)
Closing net book amount	<u>1,282</u>	<u>13</u>	<u>1,295</u>
As at 31 December 2010			
Cost	1,828	30	1,858
<u>Less</u> Accumulated depreciation	-	(17)	(17)
<u>Less</u> Allowance for impairment	(546)	-	(546)
Net book amount	<u>1,282</u>	<u>13</u>	<u>1,295</u>
For the year ended 31 December 2011			
Opening net book amount	1,282	13	1,295
Disposals - net	(2)	(3)	(5)
Depreciation	-	(1)	(1)
Closing net book amount	<u>1,280</u>	<u>9</u>	<u>1,289</u>
As at 31 December 2011			
Cost	1,826	24	1,850
<u>Less</u> Accumulated depreciation	-	(15)	(15)
<u>Less</u> Allowance for impairment	(546)	-	(546)
Net book amount	<u>1,280</u>	<u>9</u>	<u>1,289</u>
Fair value as at 31 December 2010	1,531	-	1,531
Fair value as at 31 December 2011	1,531	-	1,531

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

15 Property, plant and equipment, net

	Consolidated										Total Baht million	
	Land 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 2009												
Cost	3,519	184	22,715	64,623	2,061	713	838	6,574			101,227	
<u>Less</u> Accumulated depreciation	-	-	(8,656)	(28,532)	(1,462)	(467)	(605)	-			(39,722)	
<u>Less</u> Allowance for impairment	(272)	(2)	(197)	(13)	-	-	-	-			(484)	
Net book amount	3,247	182	13,862	36,078	599	246	233	6,574			61,021	
For the year ended 31 December 2010												
Opening net book amount	3,247	182	13,862	36,078	599	246	233	6,574			61,021	
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)			-	
Depreciation charge	-	-	(746)	(2,230)	(100)	(81)	(40)	-			(3,197)	
Reversal of impairment	-	-	4	-	-	-	-	-			4	
Closing net book amount	3,395	182	13,345	34,171	625	290	220	11,698			63,926	
As at 31 December 2010												
Cost	3,667	184	22,862	64,922	2,169	824	850	11,698			107,176	
<u>Less</u> Accumulated depreciation	-	-	(9,332)	(30,738)	(1,544)	(534)	(630)	-			(42,778)	
<u>Less</u> Allowance for impairment	(272)	(2)	(185)	(13)	-	-	-	-			(472)	
Net book amount	3,395	182	13,345	34,171	625	290	220	11,698			63,926	

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

15 Property, plant and equipment, net (continued)

	Consolidated									
	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	Total Baht million	
As at 31 December 2010										
Cost	3,667	184	22,862	64,922	2,169	824	850	11,698	107,176	
<u>Less</u> Accumulated depreciation	-	-	(9,332)	(30,738)	(1,544)	(534)	(630)	-	(42,778)	
<u>Less</u> Allowance for impairment	(272)	(2)	(185)	(13)	-	-	-	-	(472)	
Net book amount	3,395	182	13,345	34,171	625	290	220	11,698	63,926	
For the year ended 31 December 2011										
Opening net book amount	3,395	182	13,345	34,171	625	290	220	11,698	63,926	
Additions	87	-	9	2,285	168	33	1	6,939	9,522	
Disposals - net book value	-	-	(2)	(375)	(16)	(8)	(15)	-	(416)	
Reclassification, net	-	-	808	8,671	115	32	-	(9,626)	-	
Reclassification from investment property	572	-	-	-	-	-	-	-	572	
Depreciation charge	-	-	(771)	(2,390)	(112)	(94)	(38)	-	(3,405)	
Impairment loss	-	-	-	(122)	-	-	-	-	(122)	
Closing net book amount	4,054	182	13,389	42,240	780	253	168	9,011	70,077	
As at 31 December 2011										
Cost	4,326	182	23,671	75,183	1,938	664	762	9,011	115,737	
<u>Less</u> Accumulated depreciation	-	-	(10,114)	(32,808)	(1,158)	(411)	(594)	-	(45,085)	
<u>Less</u> Allowance for impairment	(272)	-	(168)	(135)	-	-	-	-	(575)	
Net book amount	4,054	182	13,389	42,240	780	253	168	9,011	70,077	

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

15 Property, plant and equipment, net (continued)

	Company										Total Baht million	
	Land million Baht	Land improvement million Baht	Buildings and building improvements million Baht	Machinery and pipes million Baht	Tools and factory equipment million Baht	Furniture, fixtures and office equipment million Baht	Vehicles million Baht	Assets under construction million Baht				
As at 31 December 2009												
Cost	2,465	168	20,036	57,851	1,590	638	636	6,369			89,753	
Less Accumulated depreciation	-	-	(6,722)	(25,364)	(1,045)	(421)	(448)	-			(34,000)	
Net book amount	2,465	168	13,314	32,487	545	217	188	6,369			55,753	
For the year ended 31 December 2010												
Opening net book amount	2,465	168	13,314	32,487	545	217	188	6,369			55,753	
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	-	-	(729)	(1,988)	(91)	(74)	(33)	-			(2,915)	
Closing net book amount	2,613	168	12,792	30,824	558	258	184	11,299			58,696	
As at 31 December 2010												
Cost	2,613	168	20,168	58,158	1,678	742	652	11,299			95,478	
Less Accumulated depreciation	-	-	(7,376)	(27,334)	(1,120)	(484)	(468)	-			(36,782)	
Net book amount	2,613	168	12,792	30,824	558	258	184	11,299			58,696	

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

15 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 2010												
Cost	2,613	168	20,168	58,158	1,678	742	652	11,299			95,478	
Less Accumulated depreciation	-	-	(7,376)	(27,334)	(1,120)	(484)	(468)	-			(36,782)	
Net book amount	2,613	168	12,792	30,824	558	258	184	11,299			58,696	
For the year ended 31 December 2011												
Opening net book amount	2,613	168	12,792	30,824	558	258	184	11,299			58,696	
Additions	1,163	-	-	2,285	161	20	-	6,681			10,310	
Disposals - net book value	-	-	-	(375)	(11)	(6)	(15)	-			(407)	
Reclassification, net	-	-	795	8,666	46	30	-	(9,537)			-	
Depreciation charge	-	-	(756)	(2,160)	(96)	(86)	(31)	-			(3,129)	
Impairment loss	-	-	-	(122)	-	-	-	-			(122)	
Closing net book amount	3,776	168	12,831	39,118	658	216	138	8,443			65,348	
As at 31 December 2011												
Cost	3,776	168	20,963	68,415	1,485	579	567	8,443			104,396	
Less Accumulated depreciation	-	-	(8,132)	(29,175)	(827)	(363)	(429)	-			(38,926)	
Less Allowance for impairment	-	-	-	(122)	-	-	-	-			(122)	
Net book amount	3,776	168	12,831	39,118	658	216	138	8,443			65,348	

As at 31 December 2011, the Group had assets under finance leases, net of accumulated depreciation of Baht 69 million in the consolidated and company financial statements (2010: Baht 82 million in the consolidated and company financial statements).

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

15 Property, plant and equipment, net (continued)

Borrowing costs of Baht 109.25 million (2010: Baht 127.05 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'. Capitalisation rates which are between 2.40% and 3.39% were used representing the borrowing costs of the loans used to finance the project.

As at 31 December 2011, the gross carrying amounts of fully depreciated fixed assets that is still be in use are amounting to Baht 4,797 million and Baht 4,235 million in the consolidated and company financial statements, respectively (2010: Baht 3,997 million and Baht 3,589 million in the consolidated and company financial statements, respectively).

Depreciation charge for the years ended 31 December 2011 and 2010 is as follows:

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Costs of sales	3,214	3,070	3,035	2,833
Administrative expenses				
- Property, plant and equipment	190	127	94	82
- Investment property	7	7	1	1
	197	134	95	83
Total	3,411	3,204	3,130	2,916

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

16 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
As at 31 December 2009			
Cost	2,512	478	2,990
<u>Less</u> Accumulated amortisation	(1,344)	(81)	(1,425)
Net book amount	<u>1,168</u>	<u>397</u>	<u>1,565</u>
For the year ended 31 December 2010			
Opening net book amount	1,168	397	1,565
Additions	-	76	76
Amortisation	(125)	(53)	(178)
Closing net book amount	<u>1,043</u>	<u>420</u>	<u>1,463</u>
As at 31 December 2010			
Cost	2,512	553	3,065
<u>Less</u> Accumulated amortisation	(1,469)	(133)	(1,602)
Net book amount	<u>1,043</u>	<u>420</u>	<u>1,463</u>
For the year ended 31 December 2011			
Opening net book amount	1,043	420	1,463
Additions	-	118	118
Amortisation	(126)	(56)	(182)
Closing net book amount	<u>917</u>	<u>482</u>	<u>1,399</u>
As at 31 December 2011			
Cost	2,512	671	3,183
<u>Less</u> Accumulated amortisation	(1,595)	(189)	(1,784)
Net book amount	<u>917</u>	<u>482</u>	<u>1,399</u>

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

16 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
As at 31 December 2009			
Cost	2,512	478	2,990
<u>Less</u> Accumulated amortisation	(1,344)	(81)	(1,425)
Net book amount	<u>1,168</u>	<u>397</u>	<u>1,565</u>
For the year ended 31 December 2010			
Opening net book amount	1,168	397	1,565
Additions	-	71	71
Amortisation	(125)	(53)	(178)
Closing net book amount	<u>1,043</u>	<u>415</u>	<u>1,458</u>
As at 31 December 2010			
Cost	2,512	549	3,061
<u>Less</u> Accumulated amortisation	(1,469)	(134)	(1,603)
Net book amount	<u>1,043</u>	<u>415</u>	<u>1,458</u>
For the year ended 31 December 2011			
Opening net book amount	1,043	415	1,458
Additions	-	119	119
Amortisation	(126)	(57)	(183)
Closing net book amount	<u>917</u>	<u>477</u>	<u>1,394</u>
As at 31 December 2011			
Cost	2,512	668	3,180
<u>Less</u> Accumulated amortisation	(1,595)	(191)	(1,786)
Net book amount	<u>917</u>	<u>477</u>	<u>1,394</u>

Total amortisation of Baht 182 million has been included in the costs of sales and administrative expenses at Baht 129 million and Baht 53 million, respectively in the consolidated and company statements of income for the year ended 31 December 2011 (2010: Baht 129 million and Baht 49 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 2011 and 2010

17 Other non-current assets, net

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Deposits for land	205	253	205	253
Transfer to property, plant and equipment	-	(48)	-	(48)
<u>Less</u> Allowance for impairment	(205)	(253)	(205)	(253)
<u>Add</u> Reversal of impairment	-	48	-	48
	-	-	-	-
Others	60	36	59	35
Net	60	36	59	35

18 Borrowings

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Current				
Unsecured short-term loans from				
- Financial institutions	1,340	6,000	1,000	6,000
Current portion of long-term loans	2,000	-	2,000	-
	3,340	6,000	3,000	6,000
Non-current				
Unsecured debentures				
- US Dollar	7,576	7,211	7,576	7,211
<u>Less</u> Discount on debentures	(26)	(32)	(26)	(32)
Net	7,550	7,179	7,550	7,179
- Thai Baht	9,640	9,640	9,640	9,640
Total debentures	17,190	16,819	17,190	16,819
Long-term loans from financial institutions	8,000	7,529	8,000	7,529
Total non-current borrowings	25,190	24,348	25,190	24,348
Total	28,530	30,348	28,190	30,348

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

18 Borrowings (continued)

Short-term loans

As at 31 December 2011, unsecured short-term loans from financial institutions amounting to Baht 1,340 million and Baht 1,000 million in the consolidated and company financial statements, respectively, are promissory notes at interest rates between 0.85% and 3.35% per annum with the maturities of 1 – 3 months (2010: Baht 6,000 million in the consolidated and company financial statements at interest rates between 1.70% and 1.78% 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 THBFIX 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 42nd month from the signing of the loan agreement date). As at 31 December 2011, the loans of Baht 10,000 million has already been drawn down (2010: Baht 7,529 million).

Debentures

Debentures as at 31 December 2011 and 2010 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 2011 and 2010

18 Borrowings (continued)

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

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
- Short-term loans and debentures at fixed rates	18,530	22,819	18,190	22,819
- Long-term loans at floating rates	10,000	7,529	10,000	7,529
Total	28,530	30,348	28,190	30,348

	Consolidated		Company	
	2011	2010	2011	2010
Weighted effective interest rate (%)				
- Short-term loans from financial institutions (promissory notes)	0.85 - 3.35	1.70 - 1.78	3.35	1.70 - 1.78
- Debentures	5.05 - 6.375	5.05 - 6.375	5.05 - 6.375	5.05 - 6.375
- Long-term loans from financial institutions	3.81 - 5.16	2.20 - 3.68	3.81 - 5.16	2.20 - 3.68

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

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Within 1 year	2,000	-	2,000	-
Later than 1 year but no later than 5 years	15,000	13,023	15,000	13,023
Later than 5 years	10,190	11,325	10,190	11,325
Total	27,190	24,348	27,190	24,348

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

18 Borrowings (continued)

The movement of long-term loans from financial institutions and debentures for the year ended 31 December 2011 can be analysed as follows:

	Consolidated	Company
	Baht million	Baht million
Opening net book amount	24,348	24,348
Increase of long-term loans	2,471	2,471
Current portion of long-term loans	(2,000)	(2,000)
Repurchase of debentures	-	-
Recognition of discount on debentures	6	6
Unrealised losses on exchange rate (Note 29)	365	365
Closing net book amount	25,190	25,190

Fair value

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

	Carrying amount		Fair value	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
US Dollar	7,550	7,179	8,280	7,659
Thai Baht	9,640	9,640	9,997	9,989
Total	17,190	16,819	18,277	17,648

The fair values of debentures of Thai Baht are calculated by the latest reference yield rate from the Thai Bond Market Association 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 values approximate the carrying amounts.

Credit facilities

The Group has undrawn committed borrowing facilities from the commercial banks totalling Baht 23,000 million for working capital with the money market interest rate. As at 31 December 2011, the Group has outstanding credit facilities of Baht 21,000 million.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

19 Finance lease liabilities

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Finance lease liabilities				
- Current portion	44	25	44	25
- Non-current portion	14	59	14	58
Total	58	84	58	83

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					
	2011			2010		
	Principal Baht million	Interest Baht million	Payment Baht million	Principal Baht million	Interest Baht million	Payment Baht million
Not later than 1 year	44	2	46	25	4	29
Later than 1 year but not later than 5 years	14	-	14	59	2	61
Total	58	2	60	84	6	90

	Company					
	2011			2010		
	Principal Baht million	Interest Baht million	Payment Baht million	Principal Baht million	Interest Baht million	Payment Baht million
Not later than 1 year	44	2	46	25	4	29
Later than 1 year but not later than 5 years	14	-	14	58	2	60
Total	58	2	60	83	6	89

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 2011 and 2010

20 Trade accounts payable

	Note	Consolidated		Company	
		2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
- Related parties	34	16,373	6,025	17,401	7,292
- Other parties		1,035	949	819	628
Total		17,408	6,974	18,220	7,920

21 Employee benefit obligations

	Consolidated		Company	
	2011 Baht million	2010 Restated Baht million	2011 Baht million	2010 Restated Baht million
Opening book amount	864	782	797	722
Current service costs	58	48	53	44
Expenses for employee benefits other				
long-term benefits	97	-	89	-
Interest cost	37	34	33	31
Benefits paid	(25)	-	(23)	-
Closing book amount	1,031	864	949	797

Significant assumptions used for calculation the employee benefit obligations according to the actuarial technique as at the financial position date are as below:

	2011	2010
Discount rate as at 31 December	4.2%	4.2%
Salary increase rate	5% - 8%	5% - 8%
Turnover rate	0% - 2%	0% - 2%

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

22 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 2009	19,829	19,829	27,416	47,245
Issued shares	341	341	641	982
Balance as at 31 December 2010	20,170	20,170	28,057	48,227
Issued shares	264	264	497	761
Balance as at 31 December 2011	20,434	20,434	28,554	48,988

As at 31 December 2011, the total authorised number of shares was 20,475 million shares with a par value of Baht 1 per share (2010: 20,475 million shares with a par value of Baht 1 per share). The shares of 20,434 million shares were issued and fully paid-up (2010: 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 share, 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 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 2011 and 2010

22 Share capital and premium on share capital (continued)

The movement of warrants that are registered and are non-transferable for the year ended 31 December 2011 is as follows:

	Beginning balance	Issue during the year	Exercise during the year	Closing balance
Warrants 907,868,559 units	262,485,659	-	253,275,778	9,209,881
Warrants 38,102,741 units	13,671,741	-	11,329,568	2,342,173
Total	276,157,400	-	264,605,346	11,552,054

During the year 2011, the Company registered the total paid-up ordinary shares for the warrants under the Employee Stock Option Plan ('ESOP') of 265 million shares at the exercise price of Baht 2.88 per share with a par value of Baht 1 per share.

The Company has cancelled any remaining warrants that are not allocated to employees and former employees according to the specified maturity date as mentioned above.

23 Legal reserve

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
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
Appropriation during the year	-	-	-	-
Balance as at 31 December 2011	2,048	2,048	2,048	2,048

Under the Public Company Act of B.E. 2535, 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 2011 and 2010

24 Treasury stock - Company's shares held by a subsidiary

	Consolidated	
	2011 Baht million	2010 Baht million
IRPC Oil Company Limited	124	135
Total	<u>124</u>	<u>135</u>

As at 31 December 2011, the Company's ordinary shares of 23,828,400 shares have been held by IRPC Oil Company Limited, a wholly-owned subsidiary (2010: 25,828,400 shares). These investments are stated at costs and presented in the statements of financial position as a deduction of total shareholders' equity.

During the year 2011, the subsidiary disposed of the Company's shares totalling 2 million shares with the total gain of Baht 2.42 million. The gain from disposal of treasury stocks has been presented as 'premium on treasury stock' under the shareholders' equity.

25 Non-controlling interests

	Consolidated	
	2011 Baht million	2010 Baht million
Beginning balance	44	48
Share of net profit of subsidiaries	11	4
Dividends paid	<u>(2)</u>	<u>(8)</u>
Ending balance	<u>53</u>	<u>44</u>

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

26 Other income / (other expenses)

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Interest income	131	69	221	83
Dividend income	50	39	435	569
Losses on disposals of fixed assets	(32)	(33)	(17)	(15)
Losses from write-off of fixed assets (Note 2.4)	(375)	-	(375)	-
Losses on disposals of investments in trading securities	(1)	-	(1)	-
Unrealised gains/(losses) from change in fair value of investments in trading securities	(349)	639	(349)	639
Gains on exchange rate	719	983	716	954
Derivative financial instruments recognised through the statements of income				
- Losses from commodity derivatives	(1,398)	(201)	(1,398)	(201)
- Gains/(losses) from foreign currency forward contracts for receivables and payables	71	(71)	71	(71)
Tax refund from custom duty	185	170	185	170
Reversal of/(impairment loss) of fixed assets and other non-current assets	(105)	90	(121)	86
Reimbursable indemnity	68	-	68	-
Others	244	172	270	155
Total	(792)	1,857	(295)	2,369

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

27 Administrative expenses

	Notes	Consolidated		Company	
		2011 Baht million	2010 Restated Baht million	2011 Baht million	2010 Restated Baht million
Staff costs	28	2,061	1,763	1,960	1,684
Consultant fee		245	291	240	291
Depreciation	15	197	134	95	83
Rental		184	160	153	129
Advertising		97	70	96	70
Doubtful accounts/(reversals)		33	31	28	(629)
Directors' remuneration		56	61	47	50
Others		804	761	950	792
Total		3,677	3,271	3,569	2,470

Reversals of doubtful account in the company financial statements for the year ended 31 December 2010 are related to the fact that the Company adjusted allowances for doubtful debts of Baht 660 million to reflect the recoverable amount from the disposal of assets of the subsidiary under bankruptcy process (Note 2.5).

28 Staff costs

	Consolidated		Company	
	2011 Baht million	2010 Restated Baht million	2011 Baht million	2010 Restated Baht million
Salary and wages	2,766	2,607	2,498	2,289
Bonus	1,288	1,129	1,182	1,037
Provident fund and social security	280	251	258	234
Employee benefits	192	83	175	75
Others	1,359	1,159	1,261	1,134
Total	5,885	5,229	5,374	4,769

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

28 Staff costs (continued)

Staff costs of Baht 3,824 million and Baht 3,414 million have been included in costs of sales in the consolidated and company statements of income for the year ended 31 December 2011, respectively (2010: Baht 3,466 million and Baht 3,085 million in the consolidated and company statements of income, respectively). Whereas the staff costs of Baht 2,061 million and Baht 1,960 million have been included in administrative expenses in the consolidated and company statements of income for the year ended 31 December 2011, respectively (2010: Baht 1,763 million and Baht 1,684 million in the consolidated and company statements of income, respectively).

29 Finance costs

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Interest expenses	1,505	1,217	1,506	1,217
(Gains)/losses from exchange rate from debentures and interest payable	373	(778)	367	(778)
(Gains)/losses from foreign currency forward contracts and interest rate swap contracts	(94)	83	(94)	83
Financing fees	6	11	6	11
Total	1,790	533	1,785	533

30 Income tax

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Current tax				
- Income tax for the year	85	130	-	-

As at 31 December 2011, 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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

31 Earnings per share

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

	Consolidated		Company	
	2011	2010 Restated	2011	2010 Restated
Net profit attributable to ordinary shareholders of the parent (Baht million)	4,107	6,100	4,204	6,732
Weighted average number of ordinary shares in issue during the year (Million shares)	20,369	20,040	20,369	20,040
Basic earnings per share of shareholders of the parent (Baht)	0.20	0.30	0.21	0.34

Diluted earnings per share are calculated by dividing the net profit attributable to shareholders of the parent by the weighted average number of ordinary shares, assuming conversion of warrants to ordinary shares for the year ended 31 December 2010, 142 million shares.

Weighted average number of ordinary shares (diluted)

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Weighted average number of ordinary shares (basic)	20,369	20,040	20,369	20,040
Effect of conversion of warrants	-	142	-	142
Weighted average number of ordinary shares (diluted)	<u>20,369</u>	<u>20,182</u>	<u>20,369</u>	<u>20,182</u>

	Consolidated		Company	
	2011	2010 Restated	2011	2010 Restated
Net profit attributable to ordinary shareholders of the parent (Baht million)	4,107	6,100	4,204	6,732
Weighted average number of ordinary shares for diluted earnings per share (Million shares)	20,369	20,182	20,369	20,182
Diluted earnings per share of shareholders of the parent (Baht)	0.20	0.30	0.21	0.33

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

32 Dividends

At the Annual General Shareholders' meeting on 5 April 2011, the shareholders approved a dividend payment of the operating results of 2010 at Baht 0.18 per share. The Company paid interim dividends during 2010 at Baht 0.08 per share, totalling of Baht 1,609 million. The remaining dividends of Baht 0.10 per share, totalling of Baht 2,036 million were paid to shareholders in May 2011 (2010: Dividend payment from retained earnings of 2009 at Baht 0.18 per share, totalling of Baht 3,576 million).

At the Board of Directors' meeting on 1 September 2011, the Board approved to pay an interim dividend at Baht 0.08 per share for 20,433 million shares, totalling of Baht 1,635 million. The Company paid the interim dividend to the shareholders during the year 2011.

33 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'), Propylene project ('PRP'), Blown Film project, Recovery from Purge Gas at PP Plant project, EBSM Upgrading for ABS Specialties project ('EBSM'), Multi Product Pipeline project ('MPPL') and HDPE Catalyst Commercialisation project ('Jet Mill'). 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;
- (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; and
- (d) the double deduction of logistics, electricity and water expenses for a period of ten years since income is first derived from such operations.

As promoted companies, the Company and the subsidiary must comply with certain terms and conditions prescribed in the promotional certificates.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

33 Promotional privileges (continued)

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 2011 and 2010 as follows:

	Consolidated/ Company		
	BOI granted Baht million	Non- BOI granted Baht million	Total Baht million
2011			
Revenues from sales - Export	801	81,843	82,644
- Domestic	2,569	169,704	172,273
Total	3,370	251,547	254,917
2010			
Revenues from sales - Export	1,877	64,150	66,027
- Domestic	9,041	154,809	163,850
Total	10,918	218,959	229,877

34 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 2011 and 2010, holding 38.51% and 39.02% of the Company's shares, respectively. The other major shareholders are the Government Savings 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 2011 and 2010

34 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 a certain 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 2011 and 2010 are as follows :

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Revenue from sales of goods				
- Major shareholder	18,602	16,369	18,353	16,236
- Subsidiaries	-	-	21,071	20,399
- Other related parties	12,277	6,913	12,228	6,913
Purchases of goods				
- Major shareholder	177,877	132,665	177,877	132,665
- Subsidiaries	-	-	12,436	13,067
- Other related parties	11,516	8,138	11,352	8,060

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

34 Related party transactions (continued)

The pricing policies for particular types of transactions are explained further below : (continued)

(a) Sales and purchases of goods, services rendered and received (continued)

Transactions during the years ended 31 December 2011 and 2010 are as follows : (continued)

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Selling and administrative expenses				
- Major shareholder	39	48	38	48
- Subsidiaries	-	-	316	357
- Other related parties	325	215	322	211
Interest income, dividend received and other income/(other expenses)				
- Major shareholder	(539)	(205)	(539)	(205)
- Subsidiaries	-	-	572	580
- Other related parties	60	42	57	39
Directors' and management's remuneration				
- Other related parties	105	126	96	115

Other income/(other expenses) in relation to derivative instruments to protect the pricing risk regarding raw materials and products are presented only the amounts realised within the year.

(b) Trade accounts receivable from related parties - net

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Major shareholder	860	755	860	746
Subsidiaries	-	-	1,391	1,726
Other related parties	156	319	156	319
	<u>1,016</u>	<u>1,074</u>	<u>2,407</u>	<u>2,791</u>
Less Allowance for doubtful debts	-	-	-	(5)
Net	<u><u>1,016</u></u>	<u><u>1,074</u></u>	<u><u>2,407</u></u>	<u><u>2,786</u></u>

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

34 Related party transactions (continued)

Significant transactions with related parties are summarised as follows : (continued)

(c) Amounts due from related parties - net

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Other receivables and reimbursement				
Major shareholder	115	15	115	15
Subsidiaries	-	-	94	90
Other related parties	66	64	48	46
	181	79	257	151
<u>Less</u> Allowance for doubtful debts	(60)	(60)	(125)	(125)
Net	<u>121</u>	<u>19</u>	<u>132</u>	<u>26</u>

(d) Short-term loans to and interest receivables from related parties – net

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Short-term loans and interest receivables				
Subsidiaries	-	-	150	212
<u>Less</u> Allowance for doubtful debts	-	-	(138)	(138)
Net	<u>-</u>	<u>-</u>	<u>12</u>	<u>74</u>

Average interest rate of short-term loans to related parties is 5.29% per annum (2010: 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 2011 and 2010

34 Related party transactions (continued)

Significant transactions with related parties are summarised as follows : (continued)

(e) Loans to and interest receivables from related parties - net

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Long-term loans and interest receivables				
Subsidiaries	-	-	802	1,537
Less Allowance for doubtful debts	-	-	-	-
Net	-	-	802	1,537
A subsidiary under bankruptcy process (Note 2.5)				
- Advances	56	56	56	56
- Short-term loans and interest receivables	1,252	1,252	403	403
- Long-term loans and interest receivables	5,415	5,415	5,331	5,331
Less Allowance for doubtful debts	(3,430)	(3,430)	(2,714)	(2,714)
Net	3,293	3,293	3,076	3,076
Total, Net	3,293	3,293	3,878	4,613

Average interest rate of long-term loans to related parties is 1.61% - 3.00% per annum (2010: 0.675% - 1.61% per annum).

(f) Trade accounts payable to related parties

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Major shareholder	14,114	5,189	14,114	5,189
Subsidiaries	-	-	1,070	1,277
Other related parties	2,259	836	2,217	826
Total	16,373	6,025	17,401	7,292

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

34 Related party transactions (continued)

Significant transactions with related parties are summarised as follows: (continued)

(g) Amounts due to related parties

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Other payables and reimbursement				
Major shareholder	595	276	595	276
Subsidiaries	-	-	39	31
Other related parties	16	18	11	15
Total	<u>611</u>	<u>294</u>	<u>645</u>	<u>322</u>

(h) Loans from and interest payables to related parties

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Short-term loans and interest payables				
Subsidiaries	-	-	566	-
Total	<u>-</u>	<u>-</u>	<u>566</u>	<u>-</u>
A subsidiary under bankruptcy process (Note 2.5)				
- Loans and interest payables	2,255	2,255	2,255	2,255
Total	<u>2,255</u>	<u>2,255</u>	<u>2,255</u>	<u>2,255</u>

(i) Directors' and management's remuneration

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Directors' remuneration	56	61	47	50
Management's remuneration	49	65	49	65
Total	<u>105</u>	<u>126</u>	<u>96</u>	<u>115</u>

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

35 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 2011 and 2010 can be summarised as follows:

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Short-term loans				
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
Accrued interest receivables				
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
Other receivables and reimbursements				
Pornchai Enterprise Company Limited	893	893	801	801
Reimbursements for the former management	394	394	26	26
Others	4	4	5	5
Notes receivable for purchase of land				
Thai Special Steel Industry Public Company Limited	1,739	1,739	1,739	1,739
	12,142	12,142	11,673	11,673
Less Allowance for doubtful debts	(12,070)	(12,070)	(11,635)	(11,635)
Net	<u>72</u>	<u>72</u>	<u>38</u>	<u>38</u>
Other accounts payable and reimbursements				
Pornchai Enterprise Company Limited	12	12	12	12
Payables to former management	101	101	101	101
Total	<u>113</u>	<u>113</u>	<u>113</u>	<u>113</u>

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

35 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 2011 and 2010 can be summarised as follows: (continued)

	% of investment	Consolidated		Company	
		2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Investments					
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
<u>Less</u> Allowance for impairment		(987)	(987)	(788)	(788)
Net		-	-	-	-

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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

36 Financial instruments

(a) As at 31 December 2011 and 2010, the Group has financial assets and liabilities in foreign currencies as follows:

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Assets				
US Dollar	6,137	5,373	6,090	5,259
Euro	36	30	36	30
Total	<u>6,173</u>	<u>5,403</u>	<u>6,126</u>	<u>5,289</u>
Liabilities				
US Dollar - Debentures	7,576	7,179	7,576	7,179
US Dollar	221	56	99	56
Euro	17	8	17	8
Others	14	24	11	21
Total	<u>7,828</u>	<u>7,267</u>	<u>7,703</u>	<u>7,264</u>

(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. In May 2011, the two financial institutions cancelled the agreements. As a result, the Company had no more commitment under such agreements.

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 2011, the outstanding balances under the interest rate swap contracts are Baht 2,200 million.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

36 Financial instruments (continued)

(b) The Group has significant contracts related to financial instruments as follows : (continued)

Foreign currency forward contracts

The Company has entered into the foreign currency forward contracts as follows:

Short-term

- As at 31 December 2011, there was no outstanding balance of foreign currency sale agreement (31 December 2010: foreign currency sale agreements of US Dollars 401 million with maturity date within one year).

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 2011 and 2010, the outstanding balances under the foreign exchange forward contracts are US Dollars 75 million.

Commodity derivatives

The Company has entered into Crack Spread Swap Contracts with PTT Public Company Limited and several financial institutions in order to swap the spread of the average floating price of crude oil and petroleum products at each settlement period to the fixed price. As at 31 December 2011, there was no outstanding balance under such contracts (31 December 2010: 0.675 million barrels).

The Company has entered into Time Spread Swap Contracts with PTT Public Company Limited and several financial institutions in order to swap the average floating price of crude oil of the identified months with the average floating price of crude oil of the settlement months. As at 31 December 2011, the outstanding balances under such contracts were at 2.10 million barrels (31 December 2010: 0.70 million barrels and 40,000 tons).

The Company has entered into Collar Swap Contracts with PTT Public Company Limited and a financial institution in order to swap the average floating price of crude oil of the settlement months to the range of fixed price. As at 31 December 2011, there was no outstanding balance under such contracts (31 December 2010: Nil).

(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 their 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 18.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

36 Financial instruments (continued)

(c) Fair values (continued)

As at 31 December 2011 and 2010, the Group has derivatives, which are foreign currency forward contracts, interest rate swap contracts, and commodity derivatives, recognised in the financial statements at fair values as below:

	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Derivative assets presented in other current assets	58	-	58	-
Derivative liabilities presented in other current liabilities	49	156	49	156

37 Commitments, contingent liabilities, and significant agreements

(a) Capital commitments

As at 31 December	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Contracted but not recognised in the financial statements				
- Purchase agreements for machinery and construction	3,871	4,669	3,871	4,669
- Consultation agreements	254	189	254	189
Total	4,125	4,858	4,125	4,858

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

37 Commitments, contingent liabilities, and significant agreements (continued)

(b) Non-cancellable operating lease commitments

As at 31 December	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Office building rental agreements :				
- within 1 year	5	5	5	5
Land lease agreements :				
- within 1 year	1	3	1	1
- Later than 1 year but not later than 5 years	1	1	1	1
- Later than 5 years	6	6	6	6
	8	10	8	8
Total	13	15	13	13
Other commitments :				
Outstanding letters of credits	286	244	157	8

(c) Contingent liabilities

As at 31 December	Consolidated		Company	
	2011 Baht million	2010 Baht million	2011 Baht million	2010 Baht million
Contingent liabilities :				
- Bank guarantees	315	620	314	618
- Others	-	20	-	20
Total	315	640	314	638

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

37 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 green zone (recreational & environmental reserved zone) and some are under expropriation for construction of public roads Kor 2 and Gor 9 according to the Town and Country Planning Department of Rayong Province and such plots of land were restricted from construction of factories, oil and gas tanks. At the present, the Committee has been set up to consider modifying the overall town plan to comply with the local officials and the stakeholders. This also includes the areas of the Company's tank farms to be modified from the green zone to be industrial zone and to alter the construction plan of the two public roads to be away from the Company's area. However, failure of the modification of the above matters may affect the impairment of the operating assets. As at 31 December 2011, the plans for the modification of the town are in the preparation process.

(e) Other significant agreements with related parties

Sales/Purchases of Refined Oil Agreement from Depot, Chumporn province

On 1 January 2008, 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 2010. The Company has extended the contract to 31 December 2012. 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 2011. 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 2012 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 2011 and 2010

38 Significant claims and legal proceedings

As at 31 December 2011, 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 to 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, requesting 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 ruled 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 on 9 December 2005 filed three petitions which are: 1) to request the Court to order the Plan Administrators to determine the share offering price fairly; 2) to request the Court to investigate this case urgently; and 3) to request the Court to withhold the selling of shares to the major investors and creditors before the official ruling by the Court. On the same date, the Court ruled 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 Administrators, 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 rulings :

Red Case No. For. 8/2548 Section 10/5

On 10 November 2008, the Supreme Court ruled in accordance with the Central Bankruptcy Court's ruling that the equity 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 - the case was dismissed.

Red Case No. For. 8/2548 Section 28

The Supreme Court ruled the same as the Central Bankruptcy Court order in January 2011 - the case was dismissed.

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 that the petition with the Central Bankruptcy Court regarding the 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 - the case was dismissed.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

38 Significant claims and legal proceedings (continued)

As at 31 December 2011, the Company has significant cases for which the results have not yet been finalised as follows: (continued)

(2) *Demand for nullification of outcomes from both the ordinary and extraordinary shareholders' meetings and the extraordinary shareholders' meetings of IRPC Public Company Limited Black Case No. Phor Gor. 5/2550, Black Case No. Phor Gor. 6-9/2551 and Black Case No. Phor Gor. 12/2554*

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 fell under the Central Bankruptcy Court's jurisdiction, thus the Plaintiff has further filed to the Central Bankruptcy Court.

On 16 December 2011, the former management also filed a petition with the Central Bankruptcy Court to nullify the outcomes from the ordinary shareholders' meeting No. 1/2551 held on 22 January 2008 by claiming that the meeting was illegitimate and invalid because it was conducted by the Directors appointed by the resolution of the ordinary shareholders' meeting of IRPC Public Company Limited No. 1/2549, which was held on 27 April 2006.

Court rulings :

- Black Case No. Phor Gor 5/2550: On 27 June 2008, the Central Bankruptcy Court dismissed the case. The Plaintiff subsequently appealed the case to the Supreme Court. Currently, it is under the consideration of the Supreme Court.

- Black Case No. Phor Gor 6/2551: On 14 September 2011, the Central Bankruptcy Court dismissed the case. However, as the full judgement has not been completed, the Company will further appeal the ruling, which is not beneficial to the Company. Currently, the Company has asked for an extension to appeal.

- Black Case No. Phor Gor 7-9/2551: On 8 August 2011, the Central Bankruptcy Court dismissed the case. On 21 November 2011, the Company filed an appeal to the Court regarding the judgement, which is not beneficial to the Company. Currently, it is under the consideration of the Appeal Court.

- Black Case No. Phor Gor 12/2554: This case has not yet been considered because the Plaintiff only filed the lawsuit on 16 December 2011.

(3) *Demand for nullification of outcomes from the subsidiaries' ordinary shareholders' meetings. Black Case No. 6711-15/2549, Black Case No. Phor Gor 4-6/2552, Black Case No. Phor Gor 8-9/2552, Black Case No. 1809/2553, and Black Case No. Phor Gor 5-9/2554*

The former management filed a petition to nullify the outcomes of the ordinary shareholders' meetings held in 2006 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, which was Black Case No. 6711-15/2549 but the reference has later been changed to Black Case No. Sor For 65-69/2551. In addition, the former management has also filed a petition to nullify the outcomes of the ordinary shareholders' meetings held in 2009 of those five subsidiaries, which are Black Cases Nos. Phor Gor 4-6/2552 and Phor Gor 8-9/2552. 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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

38 Significant claims and legal proceedings (continued)

As at 31 December 2011, the Company has significant cases for which the results have not yet been finalised as follows: (continued)

(3) *Demand for nullification of outcomes from the subsidiaries' ordinary shareholders' meetings. Black Case No. 6711-15/2549, Black Case No. Phor Gor 4-6/2552, Black Case No. Phor Gor 8-9/2552, Black Case No. 1809/2553, and Black Case No. Phor Gor 5-9/2554 (continued)*

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, which is Black Case No. 1809/2553, 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 recently received the related court warrant on 16 October 2010.

On 16 December 2011, the former management additionally filed a petition to nullify the outcomes from the ordinary shareholders' meetings of the five subsidiaries, claiming that the meetings were illegitimate and invalid and requesting withdrawal of the registration of the Directors.

Court rulings :

- Black Cases No. Phor Gor 4-6/2552 and Phor Gor 8-9/2552: The Court ruled on 7 July 2011 to withdraw the resolutions of meetings held on 8 July 2006 (for the 5 subsidiaries) and to withdraw the resolutions of meetings held on 7 April 2009 (for 3 subsidiaries which are 1) IRPC Oil Company Limited, 2) IRPC Polyol Company Limited, and 3) Thai ABS Company Limited) and to withdraw the resolutions of meetings held on 9 April 2009 (for 2 subsidiaries which are 1) Thai Polyurethane Industry Company Limited and 2) IRPC Energy Company Limited). The Court ruled that the meetings were illegitimate. However, the Company has further filed an appeal in October 2011. Currently, the cases are under the consideration of the Supreme Court.

- According to the registrar of the Central Bangkok Partnership dated 3 November 2011, it ordered to withdraw the registration of the changes of the directors and the authority of directors of the five subsidiaries. However, the five subsidiaries file an appeal against the orders on 30 November 2011. Further, the Central Partnership Office, Department of Business Development, sent the letters dated 7 February 2012 to inform about the appeals of the five subsidiaries to the Board of Directors of each subsidiary that the appeals were dismissed and to further order the revision of the withdrawal of the changes of the directors and the authority of directors of the five subsidiaries by adding the lists of former management together with the representatives from the major shareholder, which is IRPC Public Company Limited. Nevertheless, the authorised directors of those five subsidiaries are mainly the representatives from the former management. The orders are effective on 7 February 2012 which is the date that the registrar issued the orders. However, the changes are not in line with the resolutions of the shareholders' meetings of each subsidiary and the Company is in the process of making them to be conformable with the resolutions of the shareholders' meetings.

- Black Case No. 1809/2553 is currently in process of investigation.
- Black Case No. Phor Gor 5-9/2554 is currently in process of re-filing.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

38 Significant claims and legal proceedings (continued)

As at 31 December 2011, 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, which 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 regarding loans to entities relating to Liaopairattana family*

During the years 1997 to 2000 (a period when the Custodian Officer was seeking funds), the Company, under the management at that time, provided interest-inclusive collateral-free loans amounting to Baht 8,000 million to 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 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 again requested the repayment of the loans, 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 3 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 made the claim to the Central Bankruptcy Court that it was itself the major creditor (with the right to appoint the planner) of those companies. 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 because their liabilities exceeded 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: 1) the amount of share premium had to be authorised by law; and 2) the premium had to be paid at the same time as the first payment of shares. Further, 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 the arrangement of a second meeting with creditors regarding the voting over the Plan Administrator's selection. However, the Asset Protector insisted on the conditions from the previous order from the first creditors' meeting. The Central Bankruptcy Court dismissed the rehabilitation plan of the three companies requested by Liaopairattana Enterprise Company Limited on 7 July 2008.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

38 Significant claims and legal proceedings (continued)

As at 31 December 2011, the Company has significant cases for which the results have not yet been finalised as follows: (continued)

(5) *Petition regarding loans to entities relating to Liaopairattana family (continued)*

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 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 the rehabilitation plan while arguing that the debts did not exist.

Court rulings :

- 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, where the case is currently being considered.

- Regarding the cases in which the Liaopairattana Enterprise Company Limited petitioned for the three companies to enter into the rehabilitation plan, on 5 October 2011, the Supreme Court ruled to dismiss the Red Cases Nos. For 31/2550, For 32/2550 and For 33/2550 that were subject of appeal by the Company to cancel the rehabilitation of those three companies because the cancellation of rehabilitation of the three companies requested by Liaopairattana Enterprise Company Limited had been dismissed on 7 July 2008 by the Central Bankruptcy Court.

- Regarding the cases in which the three companies petitioned the Central Bankruptcy Court to enter into the rehabilitation plan, 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. IRPC Public Company Limited has further filed appeals to the Supreme Court against the ruling of the Central Bankruptcy Court allowing those two companies to be in the rehabilitation plan. Currently, the case is under consideration by the Supreme Court. For the case of TPI EOEG Company Limited, the Court ordered such company to be included the rehabilitation plan on 23 February 2010. However, the Company has further filed appeals to the Supreme Court in respect of two matters: 1) to appeal against the order for rehabilitation subsequently accepted by the Court; and 2) to appeal against the appointment of the Plan Administrator subsequently denied by the Court.

- Regarding TPI EOEG Company Limited, the Court ruled on the request for rehabilitation on 20 September 2011, whereas the case of TPI Holding Company Limited is being considered by the creditors regarding the rehabilitation plan. In summary, the cases of these three companies are in process of being investigated by the Custodian Officer.

(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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

38 Significant claims and legal proceedings (continued)

As at 31 December 2011, the Company has significant cases for which the results have not yet been finalised as follows: (continued)

(6) Libel petition (continued)

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 18 persons 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 cessation of the debt repayments in August 1997, and cases with regard to the loans provided to related parties. At that time, the management had provided loans to three related parties including: 1) Pornchai Enterprise Company Limited; 2) TPI EOEG 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. Once the Appeal Court reaches a 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 directors of a Public Company Limited that has shares listed on the Stock Exchange of Thailand. In addition, these directors were alleged to have received an undue advantage in 2006 by relocating the Company's office from TPI Tower to Sun Tower Building, which was in violation of the Securities 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 Defendants on 26 September 2008. Currently, the case is under consideration by the Appeal Court. The Plaintiff has withdrawn certain Defendants, with the total remaining at 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.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

38 Significant claims and legal proceedings (continued)

As at 31 December 2011, the Company has significant cases for which the results have not yet been finalised as follows: (continued)

(8) *Labor case - Black Case No. Ror Yor. 258-259/2550 (continued)*

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 Plaintiffs have further filed to appeal against 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 because the Company was a 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 that the three parties come to a resolution, and the parties have since been able to come to a formal settlement. In the resolution, both Plaintiff and Defendant would withdraw the charge against IRPC Public Company Limited as a co-Defendant. Currently, the case is awaiting the order of the Supreme Court.

(10) *The bankruptcy of TPI Aromatics Public Company Limited*

During the fourth quarter of 2010, TPI Polene Public Company Limited, which is a creditor of TPI Aromatics Public Company Limited, which is a subsidiary of the Company, filed against the subsidiary for bankruptcy, claiming that the subsidiary had not repaid its debts, had excessive liabilities and was no longer in operation. On 7 June 2010, the Central Bankruptcy Court ruled that the subsidiary enter absolute receivership. The Custodian Officer announced the order of the receivership in newspapers dated 27 August 2010 and in the Government Gazette on 28 September 2010, and the last date to submit a request for debt settlement was on 29 November 2010. In November 2010, the IRPC Group, as a major creditor of the subsidiary, submitted its request for the debt settlement. At the Creditors' meeting on 25 January 2011, the resolution was unanimously passed to allow the Custodian Officer to further request the Court to file for bankruptcy of such subsidiary.

Court ruling :

The Custodian Officer has been investigating the requests for debt settlement of each creditor.

(11) *The cases regarding the land dispute*

- IRPC Public Company Limited has sued Thai Stainless Steel Industry Public Company Limited for the purchase of land: Black Case No. 3860/2551.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

38 Significant claims and legal proceedings (continued)

As at 31 December 2011, the Company has significant cases for which the results have not yet been finalised as follows: (continued)

(11) The cases regarding the land dispute (continued)

- Thai Stainless Steel Industry Public Company Limited has sued IRPC Public Company Limited to reclaim the price paid for the land: Black Case No. 992/2554.

Previously, IRPC Public Company Limited (the Plaintiff) filed a lawsuit against Thai Stainless Steel Industry Public Company Limited (the Defendant) for a default of promissory note settlement for the land purchase under the Black Case No. 3860/2551. On 27 February 2009, the Civil Court ordered the Defendant to make a payment of Baht 1,739.43 million, plus interest of 7.5% per annum, to the Plaintiff.

However, on 28 March 2011, Thai Stainless Steel Industry Public Company Limited (the Plaintiff) filed a lawsuit against IRPC Public Company Limited (the Defendant) under the Black Case No. 992/2554 as another case. The Plaintiff has asked for a refund of the amounts that had been overpaid for the land purchase to the Defendant in the sum of Baht 2,169 million (principals and interests). The suit claimed that the agreed price that was paid by the Plaintiff was higher than the appraisal value of the land, since the price included a premium related to additional supporting infrastructure, which was supposed to be built by the Defendant but the Defendant ultimately did not provide the infrastructure as agreed.

Court rulings :

- Black Case No. 3860/2551: the Civil Court ruled that IRPC Public Company Limited had won the case. However, Thai Stainless Steel Industry Public Company Limited, as the Defendant, has appealed. Currently, the case is under the consideration of the Appeal Court.

- Black Case No. 992/2554: on 30 August 2011, the Civil Court ruled that IRPC Public Company Limited repay to Thai Stainless Steel Industry Public Company Limited Baht 1,554 million plus interest of 7.5% per annum. The Company is currently considering appealing against the result. However, as at 30 September 2011, the Company has not made any provision for such contingent liabilities as they are considered relevant to Black Case No. 3860/2551.

(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 364th creditor of the Company, in which Thai Olefins has requested the Company for settlement for damages arising from the cancellation of the sales agreement in the sum of Baht 4,461.26 million plus interest at MOR plus 2% to the Custodian Officer. On 27 December 2004, the Central Bankruptcy Court ruled that the 364th creditor was entitled to receive Baht 259.82 million from the Company plus interest at MOR plus 2% of the said principal since the date on which that the Plan Administrator (at that time, Effective Planner Company Limited) cancelled the agreement on 14 February 2001. The Company and the 364th 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 364th creditor. Therefore, the Company has not made any provision in these financial statements.

Notes to the consolidated and company financial statements

IRPC Public Company Limited

For the years ended 31 December 2011 and 2010

38 Significant claims and legal proceedings (continued)

As at 31 December 2011, 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) (continued)*

Court ruling :

The case is currently under the consideration by the Supreme Court.

(13) *Arbitration in foreign countries*

a) *LMAA arbitration claims*

The Company has received claims for damages regarding breach of ship rental contract with a foreign supplier. The sum involved totals US dollars (USD) 9.16 million (equivalent to Baht 291 million). Currently, the case is under arbitration in England and the Arbitrator has determined the hearing period for both parties as 12-19 March 2012. However, the Arbitrator has not yet determined a ruling date. In accordance with resolutions of the Board of Directors' meetings of the Company in December 2011, the Company has agreed to make a sealed offer with its counterpart. In January 2012, the counterpart declined such sealed offer. Therefore, the Company will defend the case according to the schedule defined by the Arbitrator. However, as at 31 December 2011, the Company has not yet provided any provision regarding such case in these financial statements.

b) *Bitumex case*

Bitumex (HK) Company Limited ('Bitumex') submitted the prosecution to the Commercial Court (London, England) on 15 December 2011 for issuing the Order to IRPC Public Company Limited ('the Company') regarding the dispute in relation to establish the arbitrator. Because both parties could not agree in appointing the arbitrator on the dispute brought by Bitumex in relation to the breach of 17 contracts with the initial estimated amount of US Dollars 75 million (equivalent to Baht 2,390 million). However, before Bitumex submitted the prosecution to the Commercial Court, IRPC had received two notices dated 28 October and 9 November 2011. In order that IRPC received the Order on 22 December 2011 and then after such receiving, IRPC opposed Bitumex concerning the validity of the Services in court documents later. Currently, this case is being considered by the Commercial Court. However, as at 31 December 2011, IRPC has not yet provided any provision regarding such case in these financial statements.

39 Post statement of financial position event

At the Board of Directors of the Company's meeting on 13 February 2012, it approved a dividend payment for the operating results of 2011 at Baht 0.12 per share. The Company paid for an interim dividend during the year 2011 at Baht 0.08 million per share, totalling Baht 1,609 million, remaining Baht 0.04 per share. However, the approval for the dividend payment shall be proposed to the Annual Shareholders' Meeting for the year 2012 for the further consideration and approval.

Abbreviations and Technical Terms

Abbreviation	Full Name	Description
ABS	Acrylonitrile Butadiene Styrene	Plastic resin has significant properties as high impact resistance, toughness and heat and chemical resistance, used for manufacturing automobile parts and electrical appliances.
ACN	Acrylonitrile	Polymer product used as feedstock for ABS and SAN.
ADU	Atmospheric Distillation Units	Oil refining units that distills crude oil at slightly above atmospheric pressure into various fractions of different boiling ranges i.e., LPG, gasoline, naphtha, gas oil and diesel.
AS or SAN	Acrylonitrile Styrene	Plastic resin developed to be better than polystyrene. Its properties are SAN high temperatures resistance, not brittle, and as hard and transparent as polystyrene.
ATB	Atmospheric Tower Bottoms	Heavy oil received from the lower bottom section of the ADU tower. It can be further cracked or used as fuel oil.
bbbl	Barrel	A measurement uses to describe the volume of crude oil and its products. One barrel is equal to 158.978 liters.
KTA	kilotons per annum	A quantitative measurement equivalent to 1,000 tons per year.
BD	Butadiene	Butadiene is in a gaseous state at atmospheric temperature and pressure. It is used as raw material in various industries and synthetic rubber manufacturing.
BTX	Benzene, Toluene and Mixed Xylene	Benzene, Toluene, and Mixed Xylenes are classified as an upstream petrochemical products.
CD-1	Compounding 1	A special-grade resin with superior qualities such as high temperatures resistance and chemical resistance.
CHP	Combined Heat and Power Plant	A power plant produces both electricity and steam.
DCC	Deep Catalytic Cracking	A cracking unit breaking down heavy oil molecules into lighter ones such as diesel and naphtha. It can produce propylene as a petrochemical feedstocks.
DEG	Di-Ethylene Glycol	Di-Ethylene Glycol, the ethylene devivative, is a solvent co-generated in ethylene glycol production.
EBSM	Ethylbenzene Styrene Monomer Plant	A manufacturing unit of ethylbenzene and styrene monomer uses benzene and ethylene as feedstocks.
EPS	Expanded Polystyrene	Polystyrene foam is made by adding propane to polystyrene. It is used to manufacture foodware, packing materials, and insulator lining in refrigerators.
ETP	Ethylene Plant or Olefin Plant	A manufacturing unit of ethylene and propylene by using naphtha and liquid petroleum gas (LPG) as feedstock.
GO	Gas Oil	A mixture for diesel production.
HDPE	High Density Polyethylenes	Plastic resin used to manufacture various containers such as bottles, nets, bags, and electrical appliance parts.
HIPS	High impact polystyrene	Polystyrene with additives or rubbers such as SBR suitable for high impact resistance such as in a refrigerator or furniture.

Abbreviation	Full Name	Description
LR	Long Residue	Residue from Atmospheric Distillation Unit used as feedstock for producing lube base oil.
MEG	Mono Ethylene Glycol	Mono Ethylene Glycol, a derivative of ethylene, is a solvent derived from Ethylene Glycol producing process.
PP	Polypropylene	The lightest thermoplastic polymers with excellent mechanical properties, tough, tension-resistant, impact-resistant and not malleable.
PS	Polystyrene	Transparent and translucent thermoplastic polymers that are very hard, rigid, brittle, not absorbing water and humidity. It can be used as an electrical insulator.
RAE	Residue Aromatic Extract	Aromatic extract can be used in manufacturing tires and synthetic rubbers. Its properties are similar to those of TDAE.
TDAE	Treated Distillate Aromatic Extract	Aromatic extract used in manufacturing tires and rubbers. A noncarcinogenic product by the international standards.
UHMW -PE	Ultra High Molecular Weight Polyethylene	Plastic product with 10 times molecular density of normal polyethylene. They are suitable for work requiring toughness, strength, abrasion resistance, and chemical-corrosion resistance.
	Acetylene Black	Carbon black produced through self-heating pyrolysis of acetylene gas, fine-grained used in dry cell battery, rubber tyres, printer ink and plastic material.
	Bivalves Settlement Resistance HDPE Pipe Grade	Special grade of polyethylene with its property that proven resistance against boring bivalves in coastal areas and brackish water, using pipe industry.
	Impact modifier-MBS	Additives using as impact modifier
	LPG Gas Cylinder Composite	LPG cylinder manufactured from plastic materials as the main component with strong, impact-resistant and chemical corrosion-resistant, light, and rustproof quality.



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