

# ANNUAL REPORT 2015



**INDORAMA**  
VENTURES

Indorama Ventures Public Company Limited

[www.indoramaventures.com](http://www.indoramaventures.com)

# Vision

Indorama Ventures will be one of the leading global producers in the polyester space with our key focus on people and processes, thus making us one of the most admired companies in the world.

# Mission

We will continuously upgrade the quality of our products and services through the involvement of stakeholders and by utilizing world-class processes to attain customer delight, thus becoming a preferred supplier. We will institutionalize people learning as a key factor for business growth.

# Value

## ◆ People First

We believe that people are our core strength, be it our employees, suppliers, customers, shareholders or other stakeholders. Their involvement and satisfaction are the key drivers for our success and growth.

## ◆ Customer Delight

We believe we exist because of our customers. We focus our activities to achieve customer delight and loyalty for a long lasting relationship.

## ◆ Social Responsibility

We believe in being responsible and caring for society; maintaining as well as enhancing the environment around us.

## ◆ Corporate Governance

We believe in transparency, accountability and ethics. We aim to achieve the highest degree of governance in accordance with best practice.



### **Industry Leading R&D**

*Our world-class research facilities are led by the best teams in the industry, enabling IVL to continuously innovate to provide solutions today to tomorrow's questions.*



**VISION,  
MISSION,  
& VALUES**

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"Investors can study the additional information of the Company from the Annual Registration Statement (Form 56-1) as shown in the SEC website, [www.sec.or.th](http://www.sec.or.th) or the Company website, [www.indoramaventures.com](http://www.indoramaventures.com)"

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# Performance HIGHLIGHTS

|                                                                                         | Baht Million           |                        |                |
|-----------------------------------------------------------------------------------------|------------------------|------------------------|----------------|
|                                                                                         | 2013(R) <sup>(5)</sup> | 2014(R) <sup>(5)</sup> | 2015           |
| <b>Total Production (in '000 tons)</b>                                                  | <b>5,804</b>           | <b>6,249</b>           | <b>7,024</b>   |
| <b><sup>(1)</sup>Consolidated Sales</b>                                                 | <b>229,120</b>         | <b>243,907</b>         | <b>234,698</b> |
| PET                                                                                     | 146,418                | 145,121                | 131,834        |
| Fibers & Yarns                                                                          | 47,968                 | 70,274                 | 73,219         |
| Feedstock                                                                               | 70,391                 | 64,477                 | 59,960         |
| <b><sup>(2)</sup>Core EBITDA</b>                                                        | <b>14,966</b>          | <b>19,481</b>          | <b>22,322</b>  |
| PET                                                                                     | 7,636                  | 9,275                  | 8,944          |
| Fibers & Yarns                                                                          | 2,910                  | 4,108                  | 6,675          |
| Feedstock                                                                               | 4,456                  | 6,296                  | 6,655          |
| Depreciation                                                                            | (6,841)                | (7,898)                | (9,325)        |
| <b>Core EBIT</b>                                                                        | <b>8,125</b>           | <b>11,583</b>          | <b>12,997</b>  |
| Net Interest                                                                            | (3,627)                | (3,481)                | (3,580)        |
| Joint Ventures Income/(Loss)                                                            | (741)                  | (937)                  | (396)          |
| Total tax income/(expense)                                                              | (1,306)                | (1,625)                | (1,628)        |
| <sup>(6)</sup> Add tax impact on inventory gain/(loss)                                  | (272)                  | (369)                  | (627)          |
| Non-controlling interests (NCI)                                                         | (191)                  | (285)                  | (279)          |
| <b>Core Net Profit after Tax and NCI</b>                                                | <b>1,988</b>           | <b>4,886</b>           | <b>6,487</b>   |
| Core EPS before PERP Interest                                                           | 0.41                   | 1.01                   | 1.35           |
| <b>Core EPS after PERP Interest</b>                                                     | <b>0.41</b>            | <b>0.99</b>            | <b>1.17</b>    |
| <sup>(3)</sup> CAPEX and investment                                                     | 6,971                  | 13,726                 | 31,737         |
| Net Operating Debt                                                                      | 72,991                 | 58,013                 | 67,296         |
| Net Working Capital Asset (NWC)                                                         | 31,093                 | 26,492                 | 26,395         |
| NWC/ Net Operating Debt (%)                                                             | 43%                    | 46%                    | 39%            |
| <sup>(4)</sup> Total Equity                                                             | 60,435                 | 74,610                 | 82,953         |
| <b>Net Operating Debt to Equity</b>                                                     | <b>1.21</b>            | <b>0.78</b>            | <b>0.81</b>    |
| <b><sup>(7)</sup>Net Operating Core ROCE (before JV's and with M&amp;A Annualized)%</b> | <b>6.4%</b>            | <b>8.6%</b>            | <b>9.4%</b>    |

(1) Consolidated financials are based upon elimination of intra-company (or intra business segment) transactions

(2) Core EBITDA is Consolidated EBITDA less Inventory gain/ (loss). Segments total may not match to IVL due to holdings segment. 2013 EBITDA includes a LOP (loss of profit) Lopburi flooding insurance claim of THB 899 MM

2014 EBITDA includes a LOP (loss of profit) Lopburi flooding insurance claim of THB 140 MM

(3) CAPEX and investment (including net proceeds from sales of PPE and investments) are on a cash basis as per cash flow statement and also include net debt assumed on acquisitions.

(4) Includes Subordinated Perpetual Debentures valued at THB 14,874 million.

(5) Periods with Restated or (R) are restated numbers as per the adoption of new and revised TFRS in 2015. Restated 2013 as well accordingly, though not material.

(6) Tax impact on inventory gain/loss is now being calculated on each entity to present the impact on core basis more appropriately and historical are recasted accordingly.

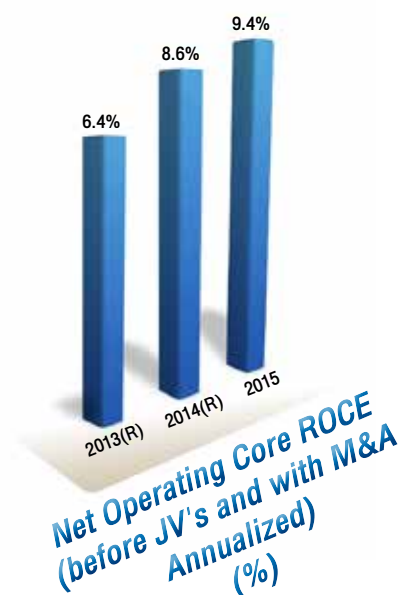
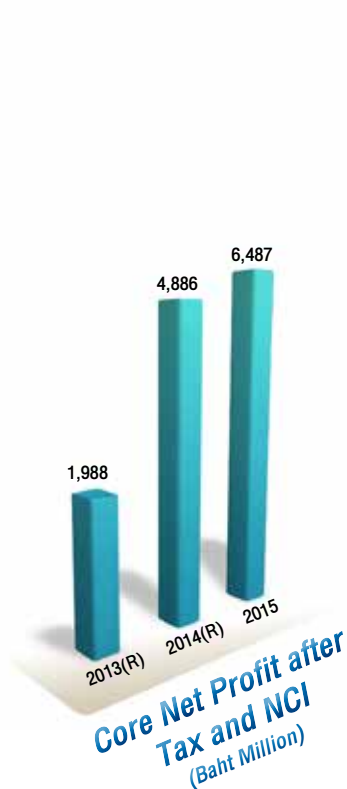
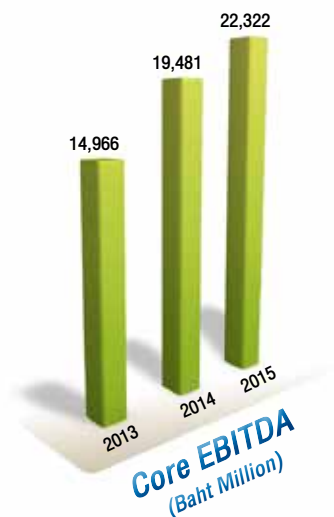
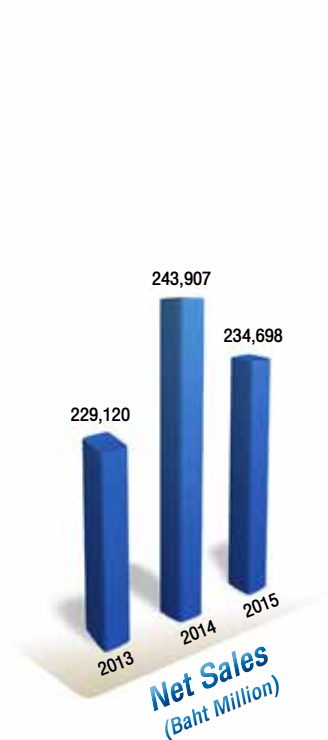
(7) M&A earnings annualized in ROCE% calculation to present the ratio appropriately and historical are recasted accordingly.

|                                                                     | Baht Million |              |              |
|---------------------------------------------------------------------|--------------|--------------|--------------|
|                                                                     | 2013(R)      | 2014(R)      | 2015         |
| <b>Core Net Profit after Tax and NCI</b>                            | <b>1,988</b> | <b>4,886</b> | <b>6,487</b> |
| Inventory gain (loss)                                               | (928)        | (3,522)      | (2,918)      |
| Total tax on Inventory gain/(loss)                                  | 272          | 369          | 627          |
| <b>Net profit, before extraordinary items</b>                       | <b>1,331</b> | <b>1,733</b> | <b>4,197</b> |
| <b>Add: Non Operational/Extraordinary income/ (expense)</b>         | <b>192</b>   | <b>(58)</b>  | <b>2,413</b> |
| Acquisition cost & pre-operative expense                            | 32           | (126)        | (166)        |
| Gain on Bargain Purchases, impairments and feasibility study (Net)* | (299)        | 506          | 2,637        |
| Insurance Claims (Lopburi flood assets related claim)               | 791          | -            | -            |
| Other Extraordinary Income/(Expense)                                | (332)        | (438)        | (59)         |
| <b>= Net profit after tax and NCI</b>                               | <b>1,523</b> | <b>1,675</b> | <b>6,609</b> |

\*Gain on bargain purchase needs to be accounted for on completion of any acquisition as per Thai Accounting Standards.



# Performance CHARTS



# Financial HIGHLIGHTS

The following table sets forth summary of the consolidated financial statements of Indorama Ventures Public Company Limited from 2013 to 2015

## Statements of Financial Position (Consolidated Financial Statements)

| Unit: Baht million                                               | As of December 31 |              |                  |              |                  |              |
|------------------------------------------------------------------|-------------------|--------------|------------------|--------------|------------------|--------------|
|                                                                  | 2013<br>Restated  | %            | 2014<br>Restated | %            | 2015             | %            |
| <b>Assets</b>                                                    |                   |              |                  |              |                  |              |
| <b>Current assets</b>                                            |                   |              |                  |              |                  |              |
| Cash and cash equivalents                                        | 4,013.4           | 2.1          | 5,339.1          | 2.7          | 3,232.5          | 1.5          |
| Current investments                                              | 363.5             | 0.2          | 5,182.3          | 2.7          | 451.8            | 0.2          |
| Trade accounts receivable                                        | 28,827.2          | 15.3         | 26,203.0         | 13.5         | 27,499.6         | 12.4         |
| Short-term loans to related parties                              | 0.6               | 0.0          | 75.1             | 0.0          | 265.6            | 0.1          |
| Inventories                                                      | 28,939.6          | 15.4         | 29,141.1         | 15.0         | 31,785.6         | 14.3         |
| Other current assets                                             | 6,278.3           | 3.3          | 6,239.6          | 3.2          | 7,313.2          | 3.3          |
| <b>Total current assets</b>                                      | <b>68,422.6</b>   | <b>36.4</b>  | <b>72,180.2</b>  | <b>37.1</b>  | <b>70,548.2</b>  | <b>31.8</b>  |
| <b>Non-current assets</b>                                        |                   |              |                  |              |                  |              |
| Investments in joint ventures                                    | 2,887.5           | 1.5          | 1,941.9          | 1.0          | 1,962.4          | 0.9          |
| Other long-term investments                                      | 99.0              | 0.1          | 104.7            | 0.1          | 119.6            | 0.1          |
| Long-term loans to related parties                               | 98.4              | 0.1          | 164.1            | 0.1          | 165.4            | 0.1          |
| Property, plant and equipment                                    | 94,934.5          | 50.5         | 97,822.5         | 50.3         | 120,365.6        | 54.3         |
| Goodwill                                                         | 8,018.7           | 4.3          | 8,054.8          | 4.1          | 9,788.6          | 4.4          |
| Other intangible assets                                          | 11,245.7          | 6.0          | 11,126.9         | 5.7          | 13,581.2         | 6.1          |
| Deferred tax assets                                              | 1,329.8           | 0.7          | 1,229.0          | 0.6          | 2,686.8          | 1.2          |
| Other non-current assets                                         | 871.2             | 0.5          | 1,909.6          | 1.0          | 2,422.9          | 1.1          |
| <b>Total non-current assets</b>                                  | <b>119,484.9</b>  | <b>63.6</b>  | <b>122,353.5</b> | <b>62.9</b>  | <b>151,092.4</b> | <b>68.2</b>  |
| <b>Total assets</b>                                              | <b>187,907.6</b>  | <b>100.0</b> | <b>194,533.7</b> | <b>100.0</b> | <b>221,640.6</b> | <b>100.0</b> |
| <b>Liabilities and equity</b>                                    |                   |              |                  |              |                  |              |
| <b>Current liabilities</b>                                       |                   |              |                  |              |                  |              |
| Bank overdrafts and short-term loans from financial institutions | 16,075.4          | 8.6          | 8,581.0          | 4.4          | 12,115.0         | 5.5          |
| Trade accounts payable                                           | 25,663.2          | 13.7         | 27,764.2         | 14.3         | 31,149.0         | 14.1         |
| Current portion of long-term loans from financial institutions   | 3,921.9           | 2.1          | 4,426.2          | 2.3          | 2,118.2          | 1.0          |
| Current portion of debenture                                     | -                 | 0.0          | -                | 0.0          | 2,898.0          | 1.3          |
| Current portion of finance lease liabilities                     | 5.2               | 0.0          | 8.3              | 0.0          | 8.4              | 0.0          |
| Income tax payable                                               | 700.9             | 0.4          | 854.3            | 0.4          | 1,162.7          | 0.5          |
| Other current liabilities                                        | 6,613.9           | 3.5          | 6,431.6          | 3.3          | 7,931.9          | 3.6          |
| <b>Total current liabilities</b>                                 | <b>52,980.5</b>   | <b>28.2</b>  | <b>48,065.7</b>  | <b>24.7</b>  | <b>57,383.2</b>  | <b>25.9</b>  |

| Unit: Baht million                                      | As of December 31 |              |                  |              |                  |              |
|---------------------------------------------------------|-------------------|--------------|------------------|--------------|------------------|--------------|
|                                                         | 2013<br>Restated  | %            | 2014<br>Restated | %            | 2015             | %            |
| <b>Non-current liabilities</b>                          |                   |              |                  |              |                  |              |
| Long-term loans from financial institutions             | 41,463.3          | 22.1         | 32,757.6         | 16.8         | 34,140.3         | 15.4         |
| Debentures                                              | 23,795.7          | 12.7         | 27,499.0         | 14.1         | 32,310.0         | 14.6         |
| Finance lease liabilities                               | 4.6               | 0.0          | 21.4             | 0.0          | 16.4             | 0.0          |
| Deferred tax liabilities                                | 6,923.3           | 3.7          | 8,881.2          | 4.6          | 11,223.1         | 5.1          |
| Employee benefit obligations                            | 961.8             | 0.5          | 1,755.0          | 0.9          | 1,795.5          | 0.8          |
| Other non-current liabilities                           | 1,343.4           | 0.7          | 944.2            | 0.5          | 1,819.3          | 0.8          |
| <b>Total non-current liabilities</b>                    | <b>74,492.1</b>   | <b>39.6</b>  | <b>71,858.3</b>  | <b>36.9</b>  | <b>81,304.5</b>  | <b>36.7</b>  |
| <b>Total liabilities</b>                                | <b>127,472.6</b>  | <b>67.8</b>  | <b>119,924.1</b> | <b>61.6</b>  | <b>138,687.7</b> | <b>62.6</b>  |
| <b>Equity</b>                                           |                   |              |                  |              |                  |              |
| Share capital                                           |                   |              |                  |              |                  |              |
| Authorised share capital                                | 4,815.9           | 2.6          | 5,666.0          | 2.9          | 5,666.0          | 2.6          |
| Issued and paid-up share capital                        | 4,814.3           | 2.6          | 4,814.3          | 2.5          | 4,814.3          | 2.2          |
| Additional paid in capital:                             |                   |              |                  |              |                  |              |
| Share premium                                           | 29,774.6          | 15.8         | 29,774.6         | 15.3         | 29,775.1         | 13.4         |
| Unrealised surpluses (deficits)                         |                   |              |                  |              |                  |              |
| Hedging reserve                                         | (8.4)             | (0.0)        | (37.4)           | (0.0)        | (61.8)           | (0.0)        |
| Currency translation differences                        | 2,499.8           | 1.3          | 955.5            | 0.5          | 4,658.7          | 2.1          |
| Excess of cost over book value of acquired subsidiaries | (3,304.5)         | (1.8)        | (3,300.2)        | (1.7)        | (3,290.8)        | (1.5)        |
| Differences arising from common control transactions    | (1,235.6)         | (0.7)        | (1,235.6)        | (0.6)        | (1,235.6)        | (0.6)        |
| Retained earnings                                       |                   |              |                  |              |                  |              |
| Appropriated                                            |                   |              |                  |              |                  |              |
| Legal reserve                                           | 1,832.7           | 1.0          | 1,834.7          | 0.9          | 1,989.9          | 0.9          |
| Unappropriated                                          | 25,016.5          | 13.3         | 24,873.5         | 12.8         | 28,301.3         | 12.8         |
| <b>Equity attributable to shareholders</b>              | <b>59,389.6</b>   | <b>31.6</b>  | <b>57,679.4</b>  | <b>29.7</b>  | <b>64,951.2</b>  | <b>29.3</b>  |
| Subordinated perpetual debentures                       | -                 | 0.0          | 14,874.1         | 7.6          | 14,874.1         | 6.7          |
| <b>Equity attributable to equity holders</b>            | <b>59,389.6</b>   | <b>31.6</b>  | <b>72,553.4</b>  | <b>37.3</b>  | <b>79,825.2</b>  | <b>36.0</b>  |
| Non-controlling interests                               | 1,045.4           | 0.6          | 2,056.2          | 1.1          | 3,127.7          | 1.4          |
| <b>Total equity</b>                                     | <b>60,435.0</b>   | <b>32.2</b>  | <b>74,609.6</b>  | <b>38.4</b>  | <b>82,953.0</b>  | <b>37.4</b>  |
| <b>Total liabilities and equity</b>                     | <b>187,907.6</b>  | <b>100.0</b> | <b>194,533.7</b> | <b>100.0</b> | <b>221,640.6</b> | <b>100.0</b> |

## Statements of Income (Consolidated Financial Statements)

| Unit: Baht million                                        | For the year ended December 31 |              |                  |              |                  |              |
|-----------------------------------------------------------|--------------------------------|--------------|------------------|--------------|------------------|--------------|
|                                                           | 2013<br>Restated               | %            | 2014<br>Restated | %            | 2015             | %            |
| <b>Income</b>                                             |                                |              |                  |              |                  |              |
| Revenue from sale of goods                                | 229,120.4                      | 100.0        | 243,907.2        | 100.0        | 234,697.9        | 100.0        |
| Net foreign exchange gain                                 | 267.0                          | 0.1          | 375.4            | 0.2          | 48.5             | 0.0          |
| Interest income                                           | 152.6                          | 0.1          | 71.6             | 0.0          | 166.7            | 0.1          |
| Gain on a bargain purchase                                | -                              | 0.0          | 1,669.9          | 0.7          | 3,625.7          | 1.5          |
| Impact of flooding, net                                   | 1,690.2                        | 0.7          | 140.0            | 0.1          | -                | 0.0          |
| Other income                                              | 1,126.3                        | 0.5          | 1,572.8          | 0.6          | 1,594.8          | 0.7          |
| <b>Total income</b>                                       | <b>232,356.6</b>               | <b>101.4</b> | <b>247,736.9</b> | <b>101.6</b> | <b>240,133.6</b> | <b>102.3</b> |
| <b>Expenses</b>                                           |                                |              |                  |              |                  |              |
| Cost of sale of goods                                     | 211,572.4                      | 92.3         | 221,869.2        | 91.0         | 208,177.2        | 88.7         |
| Selling and administrative expenses                       | 12,768.7                       | 5.6          | 16,537.0         | 6.8          | 19,180.0         | 8.2          |
| Management benefit expenses                               | 76.1                           | 0.0          | 90.2             | 0.0          | 112.9            | 0.0          |
| Impairment losses                                         | -                              | 0.0          | 744.1            | 0.3          | -                | 0.0          |
| <b>Total expenses</b>                                     | <b>224,417.2</b>               | <b>97.9</b>  | <b>239,240.4</b> | <b>98.1</b>  | <b>227,470.1</b> | <b>96.9</b>  |
| Share of losses of investment in joint ventures, net      | (1,108.0)                      | (0.5)        | (1,356.1)        | (0.6)        | (242.2)          | (0.1)        |
| <b>Profit before finance costs and income tax expense</b> | <b>6,831.5</b>                 | <b>3.0</b>   | <b>7,140.4</b>   | <b>2.9</b>   | <b>12,421.3</b>  | <b>5.3</b>   |
| Finance costs                                             | 3,811.0                        | 1.7          | 3,554.5          | 1.5          | 3,652.1          | 1.6          |
| <b>Profit before income tax expense</b>                   | <b>3,020.5</b>                 | <b>1.3</b>   | <b>3,585.9</b>   | <b>1.5</b>   | <b>8,769.2</b>   | <b>3.7</b>   |
| Income tax expense                                        | 1,306.3                        | 0.6          | 1,625.4          | 0.7          | 1,880.8          | 0.8          |
| <b>Profit for the year</b>                                | <b>1,714.3</b>                 | <b>0.7</b>   | <b>1,960.5</b>   | <b>0.8</b>   | <b>6,888.4</b>   | <b>2.9</b>   |
| <b>Attributable to:</b>                                   |                                |              |                  |              |                  |              |
| Owners of the Company                                     | 1,523.2                        | 2.0          | 1,675.1          | 2.0          | 6,609.3          | 2.8          |
| Non-controlling interests                                 | 191.0                          | 0.3          | 285.4            | 0.3          | 279.1            | 0.1          |
| <b>Profit for the year</b>                                | <b>1,714.3</b>                 | <b>2.3</b>   | <b>1,960.5</b>   | <b>2.3</b>   | <b>6,888.4</b>   | <b>2.9</b>   |
| <b>Earnings per share (in Baht)</b>                       | <b>0.32</b>                    |              | <b>0.32</b>      |              | <b>1.20</b>      |              |
| <b>Core earnings per share (in Baht)*</b>                 | <b>0.41</b>                    |              | <b>0.99</b>      |              | <b>1.17</b>      |              |

\* Core financials are calculated as reported financials less Inventory gain/(loss) and less extraordinary items, if any to reflect operations before any extraordinary items.

## Cash Flow Statement (Consolidated Financial Statements)

| Unit: Baht million                                                  | For the year ended December 31 |                  |                 |
|---------------------------------------------------------------------|--------------------------------|------------------|-----------------|
|                                                                     | 2013<br>Restated               | 2014<br>Restated | 2015            |
| <b>Cash flows from operation activities</b>                         |                                |                  |                 |
| Profit for the year                                                 | 1,714.3                        | 1,960.5          | 6,888.4         |
| <i>Adjustment for</i>                                               |                                |                  |                 |
| Depreciation                                                        | 6,141.1                        | 7,108.3          | 8,324.5         |
| Amortisation of intangible assets and other assets                  | 700.5                          | 790.2            | 1,001.2         |
| Interest income                                                     | (152.6)                        | (71.6)           | (166.7)         |
| Gain on bargain purchases                                           | -                              | (1,669.9)        | (3,625.7)       |
| Gain on previously held interest in joint ventures                  | (86.9)                         | -                | -               |
| Share of losses of investments in joint ventures, net of income tax | 1,108.0                        | 1,356.1          | 242.2           |
| Finance costs                                                       | 3,811.0                        | 3,554.5          | 3,652.1         |
| Unrealised foreign exchange (gain) loss                             | 151.4                          | 222.8            | 129.9           |
| Provision for bad and doubtful debts expenses, net                  | 14.4                           | (7.5)            | 19.9            |
| Provision for inventory obsolescence, net                           | 69.9                           | 169.8            | 40.1            |
| Provision for impairment on property, plant and machinery           | 18.2                           | 597.4            | 8.9             |
| Provision for impairment on investment in a joint venture           | -                              | 146.7            | -               |
| Provision loss on unrecoverable advances payment for project        | -                              | -                | 609.7           |
| Employee benefits expense                                           | 193.5                          | 123.5            | 317.5           |
| Loss on disposal of property, plant and equipment, net              | 6.8                            | 64.5             | 111.3           |
| Write-off of property, plant and equipment                          | 0.1                            | -                | -               |
| Income tax expense                                                  | 1,306.3                        | 1,625.4          | 1,880.8         |
|                                                                     | <b>14,995.9</b>                | <b>15,970.7</b>  | <b>19,434.2</b> |
| <i>Changes in operating assets and liabilities</i>                  |                                |                  |                 |
| Trade accounts receivable                                           | (2,753.2)                      | 5,328.7          | 4,515.8         |
| Inventories                                                         | (2,438.4)                      | 1,945.6          | 1,168.2         |
| Other current assets                                                | (1,206.6)                      | (272.4)          | (92.6)          |
| Other non-current assets                                            | 157.1                          | (244.3)          | (124.9)         |
| Trade accounts payable                                              | 2,724.3                        | 659.7            | (1,046.8)       |
| Other current liabilities                                           | (195.8)                        | (485.3)          | 932.7           |
| Other non-current liabilities                                       | (121.7)                        | (52.4)           | 770.9           |
| Employee benefits obligation                                        | (200.6)                        | (169.7)          | (117.5)         |
| Income taxes paid                                                   | (496.5)                        | (259.1)          | (633.8)         |
| <b>Net cash from (used in) operating activities</b>                 | <b>10,464.4</b>                | <b>22,421.5</b>  | <b>24,806.1</b> |

| Unit: Baht million                                                             | For the year ended December 31 |                   |                   |
|--------------------------------------------------------------------------------|--------------------------------|-------------------|-------------------|
|                                                                                | 2013<br>Restated               | 2014<br>Restated  | 2015              |
| <b>Cash flows from investing activities</b>                                    |                                |                   |                   |
| Interest received                                                              | 188.1                          | 42.0              | 193.0             |
| Purchase of property, plant and equipment                                      | (6,800.1)                      | (8,434.4)         | (10,281.8)        |
| Proceeds from sale of property, plant and equipment                            | 9.9                            | 89.3              | 79.1              |
| Proceeds from sale (purchase) of other investment, net                         | (129.8)                        | (4,825.3)         | 4,868.1           |
| Purchase of intangible assets                                                  | (44.6)                         | (93.2)            | (55.8)            |
| Proceeds from sale of intangible assets                                        | -                              | -                 | 0.8               |
| Net cash outflow on acquisitions of businesses                                 | (288.0)                        | (3,611.2)         | (15,267.4)        |
| Net cash inflow on previously held interest in joint venture                   | 351.3                          | -                 | -                 |
| Net cash outflow on additional investments in subsidiaries and joint venture   | (103.9)                        | (316.8)           | (175.9)           |
| Advance payment on additional investments in subsidiary and a joint venture    | -                              | (437.8)           | (412.5)           |
| Advance payment for project                                                    | (85.3)                         | (915.5)           | (247.2)           |
| <b>Net cash from (used in) investing activities</b>                            | <b>(6,902.3)</b>               | <b>(18,503.1)</b> | <b>(21,299.5)</b> |
| <b>Cash flow from financing activities</b>                                     |                                |                   |                   |
| Interest paid                                                                  | (3,839.1)                      | (3,479.9)         | (3,646.6)         |
| Deferred financing cost paid                                                   | (271.1)                        | (40.2)            | (90.5)            |
| Dividends paid to owners of the Company                                        | (1,540.6)                      | (1,587.8)         | (2,069.9)         |
| Dividends paid to non-controlling interests                                    | (85.6)                         | (65.7)            | (58.1)            |
| Proceeds from short and long-term borrowings                                   | 29,289.2                       | 4,093.7           | 8,803.6           |
| Repayment of short and long-term borrowings                                    | (29,566.1)                     | (19,944.3)        | (14,998.8)        |
| Repayment of finance leases                                                    | (44.7)                         | (9.1)             | (7.9)             |
| Proceeds from issue of ordinary shares due to warrants exercised               | -                              | -                 | 0.5               |
| Proceeds from issue of debenture, net of debenture issuance costs              | 2,162.3                        | 3,691.7           | 7,686.0           |
| Proceed from issue of subordinated perpetual debentures, net of issuance costs | -                              | 14,874.1          | -                 |
| Coupon payment on subordinated perpetual debentures                            | -                              | -                 | (1,050.0)         |
| Loans to a joint ventures                                                      | (32.4)                         | (97.4)            | (175.9)           |
| <b>Net cash from (used in) financing activities</b>                            | <b>(3,928.0)</b>               | <b>(2,564.9)</b>  | <b>(5,607.5)</b>  |
| <b>Net increases (decreases) in cash and cash equivalents</b>                  | <b>(365.9)</b>                 | <b>1,353.5</b>    | <b>(2,100.9)</b>  |
| Cash and cash equivalents at beginning of year                                 | 4,374.2                        | 4,013.4           | 5,339.1           |
| Effect of exchange rate changes on balances held in foreign currencies         | 5.2                            | (27.9)            | (5.7)             |
| <b>Cash and cash equivalents at end of year</b>                                | <b>4,013.4</b>                 | <b>5,339.1</b>    | <b>3,232.5</b>    |

# Sri Prakash Lohia



## Chairman's Message

### Dear Shareholders,

Financially and businesswise, 2015 remained a year in which the strategies of the Company have ensured that it remains a very solid investment. We remain a growth company and are pleased to welcome six more additions to the family group with another two expected by the time this report is published. With growth in our strategic global businesses, amalgamating them all into a cohesive group is an important issue and one that takes a lot of work, in something that IVL has a strong track record. A popular buzzword today is sustainability, yet many people interpret differently what it can mean for the business case of a company. If a company is to sustain, it must treat people with dignity and act with integrity. We believe in this. We are using the Dow Jones Sustainability Index as a benchmark, while we simultaneously continue with our strength in operational excellence that makes us more efficient and systematic over the long term.

This development journey centers on our people as well as the rest of our stakeholders. The Board has issued several policies that are guidelines for how we want to see the company progress. Having the appropriate policies in place is the infrastructure of corporate governance.

Two major areas of focus for us this past year have been on corruption and human rights. We have spent a great deal of time on our Code of Conduct, implementing various guidelines and training programs to ensure that we create a safe and harmonious working environment for our people. Moreover, we

have formed a Whistleblower Policy and an attached committee that can receive confidential and protected disclosure by those who have witnessed corrupt or unethical practices. Harassment and discrimination, whether for gender, race, religion or other reasons can be reported free from stigma or reprisals.

Continuing this focus on people, development has taken a lead role in 2015. Based on the discussions we had on continuity planning, the Indorama Ventures Leadership Development Plan (IVLDP) was designed and the same was presented to the Nominating, Compensation and Corporate Governance Committee. These efforts will be carried out continuously so that we develop management depth that can lead the company.

### Impact of Macroeconomic Factors

The petrochemicals industry has had to sail in choppy waters in 2015 due to the volatility in the crude oil price, which has dropped up to 70% since mid-2014, much more than the market expected. US oil production increased dramatically, far exceeding demand and adding to inventory. While US dependence on the Middle East reduces, OPEC has pursued a policy of defending market share in the rest of the world, bringing down the price of oil. More oil is expected from Iran after sanctions are lifted. The current level of oil prices defies the overall cost curve and may not be sustainable in the long-term.

North America is now expected to show demand growth of PET in excess of 2% to 3%, while in Europe we have seen figures as high as 6% being reported,

The falling price of crude oil is benefitting Indorama Ventures and its customers as it has provided the consumer with more disposable income that has resulted in buoyed confidence, more impulse buying and higher consumption, thereby stimulating the economy in the near term.

As predicted, overall HVA product margins improved with falling raw material costs, partly negated by non-cash inventory losses. The margin improvement was more pronounced in the West since they have longer term pricing structures and do not immediately pass through lower raw material costs to customers, while Asian HVA units were unable to retain the entire benefit as prices are organized with shorter lag.

PET is in favor as smaller packaging sizes and increased units reflect the increase in consumption, giving confidence to beverage majors in the developing countries to accelerate their switch to PET, especially with a trend towards small, single serve bottles. PET continues to replace other packaging types like HDPE, paper, aluminum and glass, and is expected to continue in the near future.

North America is now expected to show demand growth of PET in excess of 2% to 3%, while in Europe we have seen figures as high as 6% being reported, signaling that the low oil price could support economic growth in the European Union, further enhanced by the weak Euro and stimulus measures.

Energy is a large portion of our cost and prices have eased with the fall in oil and gas. Energy prices globally have declined providing us with a better cost position, while working capital requirements have decreased due to lower absolute raw material prices throughout the supply chain.

Apart from oil, the strong US Dollar has assisted us given that our industry is dollar-based and our local costs are in currently depreciating currencies. This has also helped to lower our overall costs, enhanced by our continued operational excellence measures, which have always been part and parcel of our DNA.

These cost benefits are not only enjoyed by us, but are also available to our peers. It reduces performance pressure, keeping inefficient supply in the market, and thereby putting downward pressure on margins. We believe only those firms who have a secured supply chain and strong credibility will succeed in the long term. The scale, integration and diversity that we have created for ourselves will provide IVL with sustainability going forward.

On the whole, IVL has experienced a neutral impact from the volatility of crude, currencies and excess capacities. We have the Board of Directors of IVL to thank for their continued support of management initiatives in the past many years to shape the company into a sustainable one.

We are committed to building a long-lasting business for the benefit of all our stakeholders and I thank you for your continued belief and trust in us.



Sri Prakash Lohia  
Chairman

On the whole, IVL has experienced a neutral impact from the volatility of crude, currencies and excess capacities.

**WE ARE  
COMMITTED  
TO BUILDING  
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OF ALL OUR  
STAKEHOLDERS**



# Aloke Lohia

## Group CEO Message



### Dear Shareholders,

2015 was a truly transformative year for your company. We have proven our resilience as the industry has faced new challenges. IVL has taken these rollercoaster times as an opportunity to remain focused and surge ahead to deliver a distinct and compelling investment platform with scale advantages, technology ownership and innovative products that our customers can rely upon; creating the IVL differentiation. Today we stand as the most global Thai company in the stock market with presence in 20 countries. As you know, we are already the world's largest PET producer with nearly 33% of the market in Europe and North America and the most vertically-integrated company in our space. Moreover, we are proud that one in six plastic bottles is made from IVL polymers; half of the world's premium baby diapers are made with our fibers and a quarter of all quality airbags is made with our yarns.

Financially, I am pleased to inform you that your company is firmly on track to fulfill its ambitions to achieve double-digit EBITDA margins and double our core EBITDA by the end of 2018 compared with 2014's core EBITDA of \$600 million. At the same time, IVL aspires to quadruple its core EPS by the end 2018 when compared with 2014.

The recent transactions will be major accelerators in IVL's ongoing transformation, through which we are creating significant growth and portfolio enhancement to each of our three powerful verticals: PET, Feedstocks and High Value Add (HVA) businesses that are interlinked and synergistic to deliver enhanced value for our customers as well as our shareholders.

The strategic transactions signed thus far are a game changer for the industry. Polyplex PET, in Turkey, is a consolidation of our core PET business in an emerging market and allows us to provide wider coverage of the Europe, Middle East and Africa

(EMEA) region, while CEPSA Spain, upon completion, will complete our entire coverage of the region, as well as give us feedstock independence. CEPSA Spain also brings with it a new HVA feedstock for us, IPA, and is the only producer in the region. In Thailand, we acquired Bangkok Polyester to consolidate our core PET business and provide supply chain integration with captive PTA. The acquisition of Performance Fibers in China offers us a brand synonymous with decades of superior polyester tire cord in the largest growth market for automobiles, with supply chain economics through captive PET polymer produced at our GIVL site in China. We also prepared to capture the advantaged shale gas economics by acquiring an ethylene cracker in Louisiana, USA that will offer us feedstock independence and leverages on shale gas economics. In 2017, with the start up of the cracker, IVL will be amongst a few select companies to have integration from Aromatics/Olefins petrochemicals to downstream value added businesses.

In the near horizon as this is being written, we have agreed to acquire BP's chemicals company in Alabama, USA that will provide us feedstock independence, through paraxylene integration, and HVA product growth in North America with the world's only commercial production facility of NDC, all advantageously located right next to our existing Decatur site. This BP Decatur integration, combined with our CEPSA Canada PTA acquisition this past year, provides us with the most unique supply chain integration status in North America.

Last year was also a banner year in that finally we entered the Indian market with the acquisition of MicroPet. This is another core business entry in the fastest growth market in the region with the largest population next to China. We were fortunate to then negotiate a joint venture at the start of 2016 with Dhunseri Petrochemicals that allows our two companies to capture 38% of the entire Indian capacity.

# IVL has taken these rollercoaster times as an opportunity to remain focused and surge ahead to deliver a distinct and compelling investment platform with scale advantages, technology ownership and innovative products

2015 has been an extraordinary year of opportunity to deliver long-term, sustainable shareholder value. Through this combination of eight highly complementary transactions, we are creating global leadership, cost advantages and enhancements in each of our three strong, focused, industry-leading businesses.

In formulating our strategy for the future, we are closely following megatrends that will boost the sales of our packaging and fiber products. There will be nine billion people on the planet by 2050 and three billion of them will be middle class. 60% will migrate to urban areas and the world will require double the current amount of energy in order to live acceptable lives. Lifestyle changes will mean growing demand for packaging, personal care, auto parts, medical and hygiene fibers, industrial products and functional electronics. In necessities, there will be demand for more food and beverages in more convenient packaging by consumers who are increasingly shifting towards on-the-go consumption.

To accommodate growth, more volumes of the necessities products are required and we have targeted our capacity to grow from 9.2 million tonnes in 2015 to 11.6 million tonnes in 2018, with improvement in utilization so that actual production will move from 7 million tonnes to 11 million tonnes. We are looking at double-digit EBITDA margin in 2018, driven by HVA margins, volumes and integration. Having acquired strategic businesses in the past year, we are targeting a return on capital employed of over 15% enhanced by value addition and capex discipline. This will result in excellent returns for shareholders as our plans should lead to around four times core EPS growth over 2015-18. Our strategy of differentiation provides us high value-added products, which benefit from their high barriers to entry, superior margins, long-term contracts, great customer value, proprietary technology and know-how.

This is the "IVL Difference". We are the only producer with a sizable recycling business and growth strategy, and the market

leader in Europe in premium segments. We are the leading producer in rPET resin, using in-melt technology. We understand the need to reduce the carbon intensity of operations, from the carbon footprint of upstream suppliers or downstream customers. That is why we were one of the earliest proponents of recycled polyester, as we know that the appeal of polyester lies in its collectability and superior original properties vis-à-vis competing materials. The push towards a circular economy is creating a growing infrastructure providing tens of thousands of jobs, both in the West as well as in developing markets, producing a competitive feedstock in recycled material. The recycling of polyester creates economic returns across the chain, whilst simultaneously reducing the ecological impact on our environment. These flows of plastics can be recycled, reused and repurposed, and value could be created from the better use of PET alone.

Over the next 12 months we will create significant near-term value through substantial cost synergies and over the mid-term we can expect additional upside from margin growth from internal, rather than external, forces. We intend to pursue, and expect to unlock, even greater value for shareholders and customers in the longer term and more opportunity for employees as we strive for cost leadership in attractive segments and geographies.

We have experienced a tumultuous economic environment, and I would like to recognize our IVL team for their superb execution of company aspirations through these times. Their hard work and dedication have allowed the company to not only remain relevant, but to be a leader in its chosen industry.

We will continue forward on this path.



Aloke Lohia  
Group CEO

In formulating our strategy for the future; we are closely following megatrends

We intend to pursue, and expect to unlock, even greater value for shareholders and customers in the longer term



# Dilip Kumar Agarwal

## Message from the CEO of Feedstock and PET Business



### Dear Shareholders,

IVL has continued to grow its strategic presence in PET across the world and in 2015 we re-affirmed our commitment in Thailand by acquiring Bangkok Polyester in Rayong. This acquisition increased our market share in the country and also gave us a steady customer base in Japan.

At the end of the year we finally made our first investment in India, one of the most populous countries with double-digit growth in PET, with the acquisition of MicroPet in North India. In addition, at the beginning of 2016 we announced a joint venture with Dhunseri Petrochemicals in Eastern India, giving us a 38% market share of the Indian market. We have seen PET consumption growing in emerging markets, with India being no exception, and we believe these two ventures offer high strategic value as our first move into the country.

2015 was an extremely synergistic year for our feedstock segment where we first made our investment in PTA in Canada, with CEP SA's asset in Montreal, followed by the acquisition of BP's PTA and paraxylene assets in Alabama, USA. The latter is located right next to our existing Decatur site, providing us with advantaged feedstock independence, as well as the addition of a new HVA product through the world's only commercial manufacturing facility of NDC. We also announced the acquisition of an idle olefin cracker in Louisiana, USA, which upon start-up will complete our total supply chain integration in North America, from aromatics/olefins to downstream value added businesses.

Our position in the Europe, Middle East, and Africa (EMEA) region was equally benefited with announcement of the acquisition of the PTA, PET and IPA assets of CEP SA, Spain. This move completes our full integration of PTA to meet our total captive demands in EMEA and at the same time provides us with our maiden entry into the HVA business of IPA (Isophthalic acid) as the region's sole producer.

Our rPET business grew in line with our group strategy and we built volumes on the recent acquisition of our Mexican recycling plant to feed flakes into our 'in melt' technology. We also deploy this technology at 2 sites in USA, giving us the leadership position in rPET in North America.

Our Packaging business has shown promising results with growth in all the selective under supplied markets, to help serve the brand owners to develop these emerging regions. We have, in 2015, started work on our new Myanmar facility to serve the major beverage brands in the country, and we also increased capacities in both Thailand and the Philippines to meet growing demand. Despite the significant currency depreciation seen in Nigeria in 2015, our facilities performed better than budget, with significant improvement in capacity utilization. We were able to double our sales volumes as this market grows. This past year we also installed and commissioned our new packaging facility in Ghana. With these initiatives, IVL's packaging division has grown in capacity from 80 kt in 2014 to 110 kt in 2015.

2015 has been an exciting year for our business with our foray into new territories and products. The support we have received from our customers and the commitment shown by our IVL team has been unparalleled. As always, we will continue to remain alert and agile to new challenges as well as new opportunities.

Mr. DK Agarwal  
CEO of Feedstock and PET Business

# Udey Paul Singh Gill

## President-Polyester, Fibers and Yarns Business



### Dear Shareholders,

IVL's fibers business has outperformed the industry during 2015 because of our robust business model driven by Innovation and Operational Excellence. We have continued our lead over competition by creating a strong new product pipeline and continuously enhancing the barriers to entry.

In 2015 we have further strengthened our presence in the Hygiene segment by starting up Bicomponent fiber ("Bico") lines in the USA and China, and are in the process of commissioning a line in Thailand. We have taken major steps towards establishing leadership in the Automotive segment by acquiring the Asian business of Performance Fibers. Our global footprint, backed by our innovation platform, has enabled us to forge alliances with global brands to deliver sustainable business performance and create shareholder value.

The key business metrics that demonstrate our superior performance are:

- Our volume increased by 15% to 1.31 million tonnes with our high value-added (HVA) share at 62% in 2015
- Our Vitality Index (the measurement of innovations reaching the market) at 27%, showing that we have a sustained pipeline of innovative products
- 80% of our business is protected from commodity competition due to a higher share of HVA and domestic markets
- Operational Excellence, which can be measured through energy savings and best practices that have assisted us to achieve best-in-class cost competitiveness
- Our strategic presence in many of the lowest-cost manufacturing regions to create globally competitive value chains

We have taken some key initiatives to further strengthen our operational excellence and working capital management and these have delivered impressive results, notably that we have been able to increase our return on net operative capital employed (ROCE) to 12.0% in 2015, up from 7.2% in 2014.

2015 has seen continued volatility in the macro environment, specifically with regards to oil price. All in all, the low oil environment has had a marginally positive impact on Indorama Ventures' fibers business.

In the U.S. market, low oil prices and volatility have awoken a preference for domestic fiber. We also believe that demand for polyester fibers grows due to favorable economics against cotton. European fibers have seen some weakness in volumes due to strong Asian competition but margins in customized specialties have more than offset the marginal decrease in volumes.

The automotive sector is an important market for Indorama Ventures, in which we provide many Polyester and nylon components. The demand for cars in North America, Europe and China is now growing due to reduced fuel costs, while most major tire companies are forecasting steady growth of between 3-5% including replacement tires. North American demand for larger cars has grown as gasoline consumption is no longer a major concern, while depressed fuel prices is making driving a lot cheaper, consequently boosting vehicle ownership. Vehicle owners are expected to drive more miles and hence more replacement tires will be required. In August 2015, China reduced the car license fee by 50% and this lifted the automotive sales back to 20 million units per annum, which is excellent news for us.

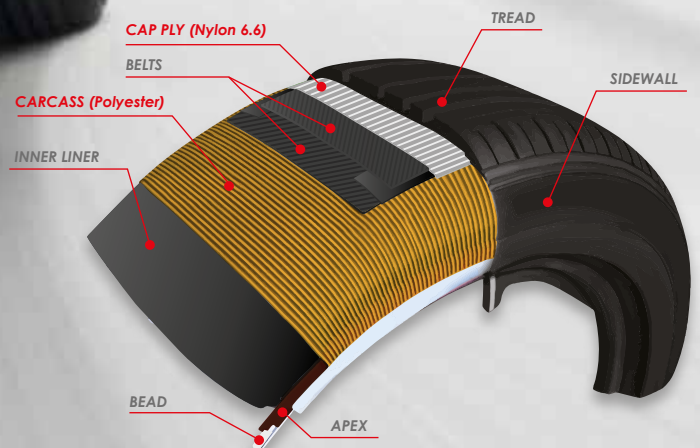
Despite the many challenges of 2015, IVL's fiber business has performed strongly. This is a testament to the strength and determination of our team, and the continued trust of our customers. We will continue to strive for excellence, bringing innovative solutions to our customers, and sustained value to our stakeholders.

A handwritten signature in dark ink, appearing to read 'Udey Paul Singh Gill'.

Udey Paul Singh Gill

President-Polyester, Fibers and Yarns Business

# TIRE CORD FABRIC



We are a leading producer of the premium materials, Polyester Tire Fabric and Nylon 6.6 Tire Yarns, used in the reinforcement of the construction of passenger tires.

For more information, contact:

**Performance Fibers**

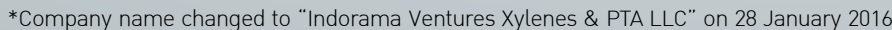
Room 3B, 22/F, 148 Electric Road, North Point, Hong Kong

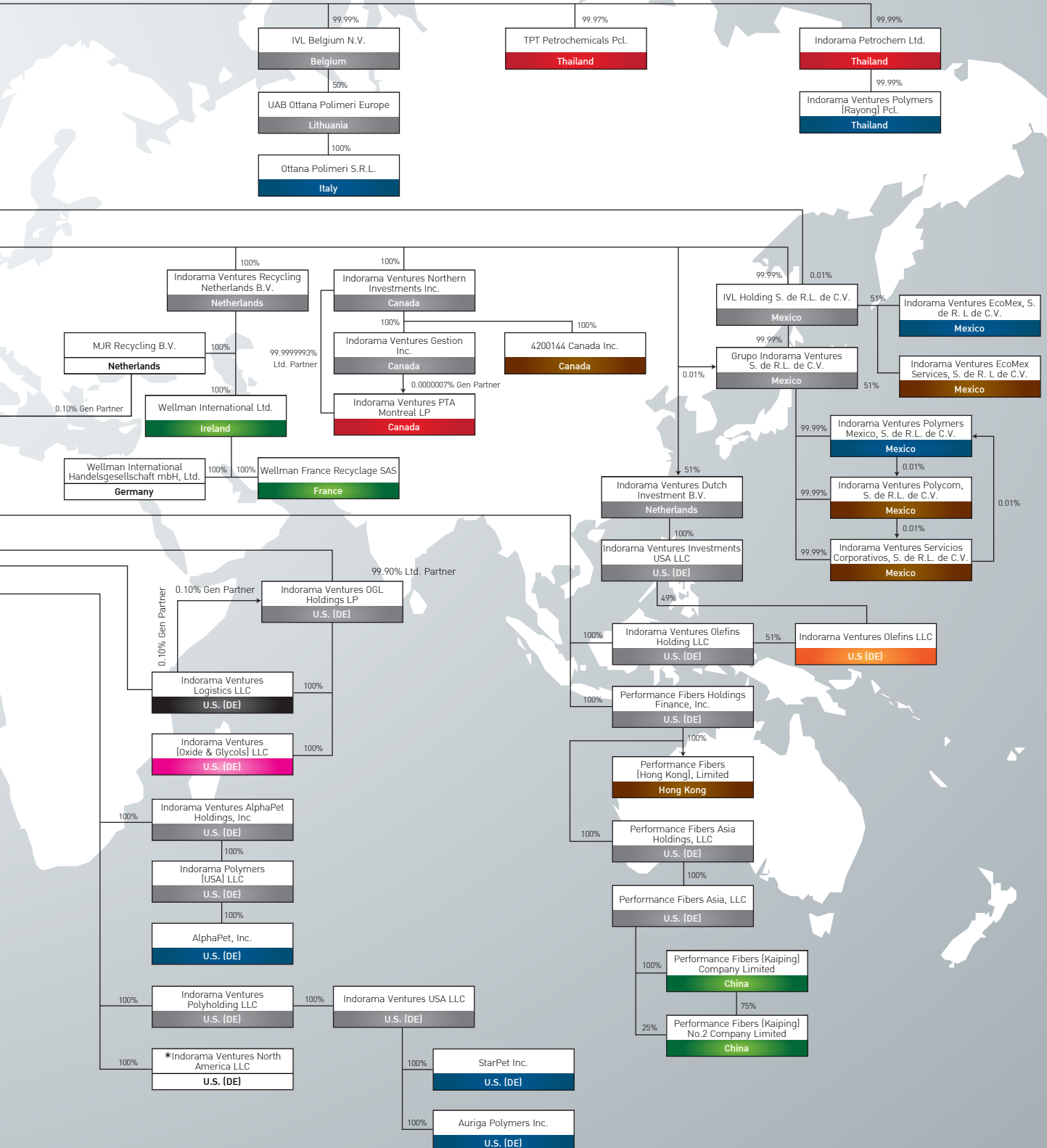
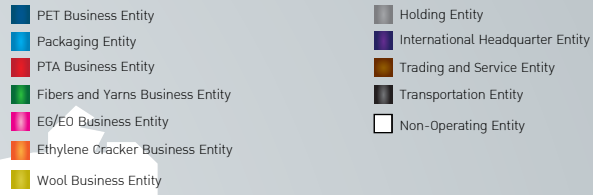
Tel. +852 2110 8242

[kenny.wong@performancefibers.com](mailto:kenny.wong@performancefibers.com)

**INDORAMA**  
VENTURES

As of December 31, 2015





# GENERAL INFORMATION

**LOCATION OF OPERATING SITES 59 OPERATING SITES, 20 COUNTRIES, 4 CONTINENTS**

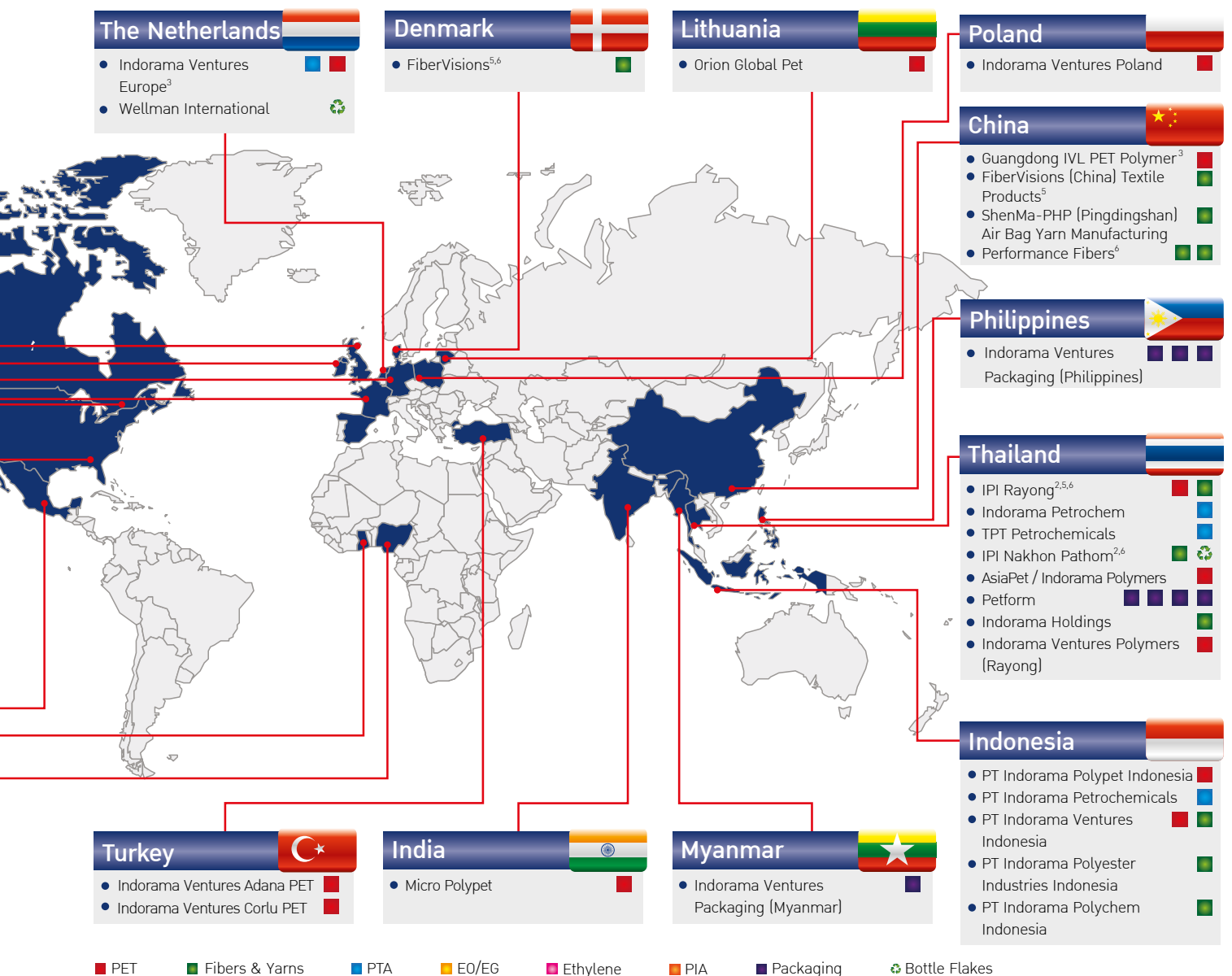
(As of December 31, 2015)

|                                 |                                                                                                                                                                                                 |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>                     | : Indorama Ventures Public Company Limited                                                                                                                                                      |
| <b>Symbol</b>                   | : IVL                                                                                                                                                                                           |
| <b>Head Office</b>              | : 75/102 Ocean Tower 2, 37 <sup>th</sup> Floor, Sukhumvit 19 (Wattana), Asoke Road, Klongtoey Nuer, Wattana, Bangkok 10110<br>Tel: 0-2-661-6661 Fax: 0-2-661-6664-5<br>www.indoramaventures.com |
| <b>Type of Business</b>         | : Holding Company                                                                                                                                                                               |
| <b>Company Registration No.</b> | : 0107552000201                                                                                                                                                                                 |
| <b>Registered Capital</b>       | : Baht 5,666,010,449 divided into 5,666,010,449 common shares of par value at Baht 1                                                                                                            |
| <b>Paid-Up Capital</b>          | : Baht 4,814,272,115 divided into 4,814,272,115 common shares of par value at Baht 1                                                                                                            |

## Other Information

|                                          |                                                                                                                                                                                                     |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Share Registrar</b>                   | : Thailand Securities Depository Company Limited<br>93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand<br>Tel: 0-2-009-9000 Fax: 0-2-009-9001                                                 |
| <b>Debenture Registrar</b>               | : Bangkok Bank Public Company Limited<br>333 Silom Road, Bangrak, Bangkok 10500, Thailand<br>Tel: 0-2-230-1136 Fax: 0-2-626-4545-6                                                                  |
| <b>Debenture Holders' Representative</b> | : Bank of Ayudhya Public Company Limited<br>1222 Rama III Bang Phongphang, Yannawa, Bangkok 10120, Thailand<br>Tel: 0-2-296-3582 Fax: 0-2-296-2202                                                  |
| <b>Auditor</b>                           | : KPMG Phoomchai Audit Limited<br>195 Empire Tower, 50 <sup>th</sup> – 51 <sup>st</sup> Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120, Thailand<br>Tel: 0-2-677-2000 Fax: 0-2-677-2222 |
| <b>Legal Advisor</b>                     | : Weerawong, Chinnavat & Peangpanor Ltd.<br>540 Mercury Tower, 22 <sup>nd</sup> Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand<br>Tel: 0-2-264-8000 Fax: 0-2-657-2222           |

|                |                                                                                       |                                                                                                                                                                                                                                                                                                                                                                      |
|----------------|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>UK</b>      |    | <ul style="list-style-type: none"> <li>• Beverage Plastics</li> </ul>                                                                                                                                                                                                                                                                                                |
| <b>Ireland</b> |    | <ul style="list-style-type: none"> <li>• Wellman International<sup>2,6</sup></li> </ul>                                                                                                                                                                                                                                                                              |
| <b>Germany</b> |  | <ul style="list-style-type: none"> <li>• Trevira<sup>4,6</sup></li> <li>• PHP Fibers<sup>6</sup></li> </ul>                                                                                                                                                                                                                                                          |
| <b>France</b>  |  | <ul style="list-style-type: none"> <li>• Wellman France Recyclage </li> </ul>                                                                                                                                                                                                   |
| <b>Canada</b>  |  | <ul style="list-style-type: none"> <li>• Indorama Ventures PTA Montréal </li> </ul>                                                                                                                                                                                             |
| <b>USA</b>     |  | <ul style="list-style-type: none"> <li>• StarPet</li> <li>• AlphaPet<sup>1</sup></li> <li>• Auriga Polymers<sup>1,6</sup></li> <li>• Indorama Ventures [Oxide &amp; Glycols]</li> <li>• FiberVisions Manufacturing<sup>5,6</sup></li> <li>• FiberVisions Products<sup>5</sup></li> <li>• Polyamide High Performance</li> <li>• Indorama Ventures Olefins*</li> </ul> |
| <b>Mexico</b>  |  | <ul style="list-style-type: none"> <li>• Indorama Ventures Polymers Mexico<sup>1,3</sup></li> <li>• Indorama Ventures EcoMex<sup>1</sup> </li> </ul>                                                                                                                            |
| <b>Ghana</b>   |  | <ul style="list-style-type: none"> <li>• Indorama Ventures Packaging (Ghana)</li> </ul>                                                                                                                                                                                                                                                                              |
| <b>Nigeria</b> |  | <ul style="list-style-type: none"> <li>• Indorama PET (Nigeria)</li> <li>• Indorama Ventures Packaging (Nigeria)</li> </ul>                                                                                                                                                                                                                                          |



1) Recycled PET Resins  
 2) Recycled Fiber  
 3) Bio-PET  
 4) Biodegradable Polymers  
 5) Bi-co Fibers Technology  
 6) R&D Center

# INFORMATION ON SUBSIDIARIES AND ASSOCIATED COMPANIES

As of December 31, 2015

| EO&EG Business            |                                                                                                                                                                                                                                              |                                                            |                                                      |              |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|--------------|
| No.                       | Company Name/Address                                                                                                                                                                                                                         | Type of Shares                                             | Shares Issued                                        | Shareholding |
| 1.                        | Indorama Ventures (Oxide & Glycols) LLC<br>Corporation Service Company, 2711 Centerville Rd, Ste 400,<br>Wilmington, Delaware 19808, USA<br>Tel: +1 847 943 3100 Fax: +1 847 607 9941                                                        | -                                                          | -                                                    | 100.00%      |
| Ethylene Cracker Business |                                                                                                                                                                                                                                              |                                                            |                                                      |              |
| No.                       | Company Name/Address                                                                                                                                                                                                                         | Type of Shares                                             | Shares Issued                                        | Shareholding |
| 1.                        | Indorama Ventures Olefins LLC<br>2711 Centerville Road, Suite 400, Wilmington,<br>New Castle County, Delaware 19808, USA<br>Tel: +1 302 636 5401 Fax: +1 302 636 5454                                                                        | -                                                          | -                                                    | 75.99%       |
| PTA Business              |                                                                                                                                                                                                                                              |                                                            |                                                      |              |
| No.                       | Company Name/Address                                                                                                                                                                                                                         | Type of Shares                                             | Shares Issued                                        | Shareholding |
| 1.                        | TPT Petrochemicals Public Company Limited<br>75/116-117, Ocean Tower 2, 41 <sup>st</sup> Floor,<br>Soi Sukhumvit 19 (Wattana), Asoke Road,<br>Klongtoey Nuer, Wattana, Bangkok 10110, Thailand<br>Tel: +66 2 661 6661 Fax: +662 661 6664 – 5 | Common Share                                               | 492,500,000                                          | 99.97%       |
| 2.                        | Indorama Petrochem Limited<br>75/93, Ocean Tower 2, 35 <sup>th</sup> Floor, Soi Sukhumvit 19 (Wattana),<br>Asoke Road, Klongtoey Nuer, Wattana,<br>Bangkok 10110, Thailand<br>Tel: +66 2 661 6661 Fax: +66 2 661 6664 – 5                    | Common Share                                               | 614,616,651                                          | 99.99%       |
| 3.                        | PT Indorama Petrochemicals<br>Graha Irama, 16 <sup>th</sup> Floor, Jalan H R Rasuna Said, Blok X-1,<br>Kav. 1-2, Kuningan Timur, Setiabudi,<br>Jakarta Selatan 12950 - Indonesia<br>Tel: +62 21 526 1555 Fax: +62 21 526 443                 | Common Share<br>Class B1<br>Class B2<br>Class C<br>Class D | 1,833,743<br>166,257<br>50,000<br>200,000<br>250,000 | 43.16%       |
| 4.                        | Indorama Ventures PTA Montreal LP<br>10200 rue Sherbrooke E., Montreal-Est,<br>Quebec H1B 1B4, Canada<br>Tel: +1 514 645 7887 Fax: +1 514 645 9115                                                                                           | Partnership                                                | 290,000,000                                          | 100%         |
| PTA & PET Business        |                                                                                                                                                                                                                                              |                                                            |                                                      |              |
| No.                       | Company Name/Address                                                                                                                                                                                                                         | Type of Shares                                             | Shares Issued                                        | Shareholding |
| 1.                        | Indorama Ventures Europe B.V.<br>Markweg 201, 3198NB Europoort, Rotterdam, Netherlands<br>Tel: +31 181 285 400 Fax: +31 181 285 405                                                                                                          | -                                                          | -                                                    | 100.00%      |

## PET Business

| No. | Company Name/Address                                                                                                                                                                                                                                  | Type of Shares | Shares Issued | Shareholding |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|--------------|
| 1.  | Indorama Polymers Public Company Limited<br>75/102, 103 Ocean Tower 2, 37 <sup>th</sup> Floor,<br>Soi Sukhumvit 19 (Wattana), Asoke Road,<br>Klongtoey Nuer, Wattana, Bangkok 10110, Thailand<br>Tel: +66 2 661 6661 Fax: +662 661 6664 - 5           | Common Share   | 1,382,197,870 | 99.64%       |
| 2.  | Asia Pet (Thailand) Limited<br>75/102 Ocean Tower 2, 37 <sup>th</sup> Floor,<br>Soi Sukhumvit 19 (Wattana), Asoke Road,<br>Klongtoey Nuer, Wattana, Bangkok 10110, Thailand<br>Tel: +66 2 661 6661 Fax: +662 661 6664 - 5                             | Common Share   | 45,000,000    | 99.99%       |
| 3.  | Indorama Ventures Polymers (Rayong) Public Company Limited<br>75/93 Ocean Tower 2, 35 <sup>th</sup> Floor, Soi Sukhumvit 19 (Wattana)<br>Asoke Road, Klongtoey Nuer, Wattana,<br>Bangkok 10110, Thailand<br>Tel: +66 2 661 6661 Fax: +66 2 661 6664-5 | Common Share   | 20,201,356    | 99.997%      |
| 4.  | Guangdong IVL PET Polymer Company Limited<br>No.1 Meihua Road, Shuikou Town, Kaiping City,<br>Guangdong, People's Republic Of China<br>Tel: +86 750 220 9680                                                                                          | -              | -             | 100.00%      |
| 5.  | UAB Orion Global pet<br>Metalo G.16, Klaipeda, Republic of Lithuania, LT-94102<br>Tel: +370 846 300684 Fax: +370 846 300749                                                                                                                           | Common Share   | 776,880       | 100.00%      |
| 6.  | Indorama PET (Nigeria) Limited<br>East West Expressway, Eleme,<br>Port Harcourt, Rivers State, Nigeria                                                                                                                                                | Common Share   | 450,000,000   | 90.00%       |
| 7.  | Indorama Polymers Workington Limited<br>Siddick, Workington, Cumbria, CA14 1LG, United Kingdom<br>Tel: +44 1900 609375 / +44 1900 609342 Fax: +44 1900 609317                                                                                         | Common Share   | 1             | 100.00%      |
| 8.  | PT. Indorama Polypet Indonesia<br>JL. Raya Anyar Km.121, Kel. Kepuh, Kec. Ciwandan,<br>Cilegon 42445 (Banten), Indonesia<br>Tel: +62 254 602300 Fax: +62 254 602940                                                                                   | Common Share   | 3,500         | 100.00%      |
| 9.  | Indorama Ventures Adana PET Sanayi Anonim Sirketi<br>Yolgecen Mah. Turhan Cemal Berikar Blv., Turkey<br>Tel: +90 322 441 1973 Fax: +90 322 441 0110                                                                                                   | Common Share   | 5,489,505,865 | 100.00%      |
| 10. | Indorama Ventures Corlu PET Sanayi Anonim Sirketi<br>Karamehmet Mahallesi, Avrupa Serbest Bölgesi, 3.<br>Sokak No: 2 Ergene/Tekirdag - 59860, Turkey<br>Tel: +90 282 691 1100                                                                         | Common Share   | 16,217,649    | 100.00%      |
| 11. | Indorama Ventures Poland Sp.z o.o.<br>ul. Krzywa Gora 19, 87-805 Wloclawek, Poland<br>Tel: +48 54 4166442 Fax: +48 54 4166449                                                                                                                         | Common Share   | 993,988       | 100.00%      |
| 12. | Ottana Polimeri S.R.L.<br>Strada Provinciale 17, Km 18, Ottana (NU)-08020, Italy                                                                                                                                                                      | Quota          | 1             | 50.00%       |

| PET Business       |                                                                                                                                                                                                                 |                         |               |              |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------|--------------|
| No.                | Company Name/Address                                                                                                                                                                                            | Type of Shares          | Shares Issued | Shareholding |
| 13.                | Indorama Ventures Ecomex, S. DE R.L. DE C.V.<br>Carretera Libre a Colotlan 6800. Colonia Extramuros.<br>Zapopan, Jalisco, Mexico<br>Tel: +52 5533 1561 3732                                                     | Equity Quota<br>Class I | 2             | 51.00%       |
| 14.                | Indorama Ventures Polymers Mexico S. de R.L. de C.V.<br>Prolongacion Paseo De La Reforma 1015 A-Piso 2 Desarrollo<br>Santa Fe Distrito, Federal 01376 Mexico, D.F.<br>Tel: +52 55 91775700 Fax: +52 55 52924919 | Equity Quota<br>Class I | 2             | 100.00%      |
| 15.                | Alphapet, Inc.<br>1301 Finley Island Road, Decatur, Alabama, AL35601, USA<br>Tel: +1 256 308 1180 Fax: +1 256 341 5926                                                                                          | Common Share            | 4,400         | 100.00%      |
| 16.                | Auriga Polymers Inc.<br>1550 Dewberry Road, Spartanburg, SC 29307, USA                                                                                                                                          | Common Share            | 5,000         | 100.00%      |
| 17.                | Starpet Inc<br>801 Pineview Road, Asheboro, North Carolina 27203, USA                                                                                                                                           | Common Share            | 5,000         | 100.00%      |
| 18.                | Micro Polypet Private Limited<br>303-305, Gopal Heights, Netaji Subhash Place,<br>New Delhi-110034 India<br>Tel: +91 11 4111 7777 Fax: +91 11 4111 7717                                                         | Common Share            | 10,000,000    | 100.00%      |
| Packaging Business |                                                                                                                                                                                                                 |                         |               |              |
| No.                | Company Name/Address                                                                                                                                                                                            | Type of Shares          | Shares Issued | Shareholding |
| 1.                 | Petform (Thailand) Limited<br>85 Moo 11, Bangnga-Thaklong Road, Khao Samorkorn<br>Sub-district, Thawoong District, Lopburi Province, Thailand<br>Tel: +66 36 489 116 Fax: +66 36 489 115,117                    | Common Share            | 7,500,000     | 59.99%       |
| 2.                 | Beverage Plastics Limited<br>Silverwood Business Park, 70 Silverwood Road, Lurgan,<br>Craigavon, County Armagh, BT66 6LN, Northern Ireland<br>Tel: +44 283 831 1800 Fax: +44 283 831 1888                       | Common Share            | 600,000       | 51.00%       |
| 3.                 | Indorama Ventures Packaging (Nigeria) Ltd.<br>Eleme Petrochemicals Complex, East-West Expressway,<br>Eleme, Rivers State, Nigeria<br>Tel: +234 805 250 1268                                                     | Common Share            | 150,000,000   | 100.00%      |
| 4.                 | Indorama Ventures Packaging (Ghana) Ltd.<br>Plot 234 Meridian Ed. COMM.2 Accra, Greater Accra,<br>BOX CO PMB 350 TEMA GA/R, Ghana                                                                               | Common Share            | 500,000       | 100.00%      |
| 5.                 | Indorama Ventures Packaging (Philippines) Corporation<br>Building 1, Southern Luzon Comple, Brgy. Baranggay Batino,<br>Calamba City, Laguna, Philippines<br>Tel: +63 495 303 592 / +63 495 340 036              | Common Share            | 1,075,005     | 99.99%       |
| 6.                 | Indorama Ventures Packaging (Myanmar) Limited<br>Lot No. A11-1, Thilawa Special Economic Zone A,<br>Yangon Region, Myanmar                                                                                      | Common Share            | 2,194,307     | 99.99%       |

## Polyester Business

| No. | Company Name/Address                                                                                                                                                                                                                                | Type of Shares       | Shares Issued             | Shareholding |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------|--------------|
| 1.  | Indorama Polyester Industries Public Company Limited<br>75/92, Ocean Tower 2, 35 <sup>th</sup> Floor,<br>Soi Sukhumvit 19 (Wattana), Asoke Road,<br>Klongtoey Nuer, Wattana, Bangkok 10110, Thailand<br>Tel: +66 2 661 6661 Fax: +66 2 661 6664 - 5 | Common Share         | 2,202,850,000             | 99.55%       |
| 2.  | ES Fibervisions (Thailand) Co., Ltd.<br>75/64 Ocean Tower 2, 28 <sup>th</sup> Floor,<br>Soi Sukhumvit 19 (Wattana), Asoke Road,<br>Klongtoey Nuer, Wattana, Bangkok 10110, Thailand<br>Tel: +66 2 661 6661 Fax: +66 2 661 6664 - 5                  | Common Share         | 41,000,000                | 49.99%       |
| 3.  | PT Indorama Polychem Indonesia<br>JL. Desa Kembang Kuning, Kecamatan Jatiluhur,<br>Purwakarta(Jawa Barat) Indonesia<br>Tel: +62 264 207727 Fax: +62 264 211260                                                                                      | Common Share         | 60,000                    | 100.00%      |
| 4.  | PT. Indorama Ventures Indonesia<br>Desa Cihuni, RT/RW 002/004, Cihuni,<br>Pagedangan, Tangerang, Banten, 15820 Indonesia<br>Tel: +6 221 5371111 Fax: +62 21 5378811                                                                                 | Series A<br>Series B | 80,000<br>2,812,500       | 99.99%       |
| 5.  | PT. Indorama Polyester Industries Indonesia<br>JL. Surya Lestari Kav. 1-16A, Kawasan Industry Surya Cipta, Desa<br>Kutamekar, Kec Ciampel, Karawang, 41361,<br>Jawa Barat, Indonesia<br>Tel: +66 267 440501 Fax: +66 267 440764                     | Common Share         | 20,000                    | 99.98%       |
| 6.  | Trevira GmbH<br>Max-Fischer-Strasse 11, 86399 Bobingen,<br>Federal Republic of Germany<br>Tel: +49 8234 9688 2100 Fax: +49 8234 9688 5355                                                                                                           | -                    | -                         | 75.00%       |
| 7.  | PHP Fibers GmbH<br>Industrie Center Obernburg, 63784 Obernburg, Germany<br>Tel: +49 6022 81 2552 Fax: +49 6022 81 31 2552                                                                                                                           | Common Share         | 25,001                    | 80.00%       |
| 8.  | Shenma-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd.<br>Pingdingshan City, Henan Province, China<br>Tel: +86 49 6022 81 2552 Fax: +86 49 6022 81 31 2552                                                                                  | -                    | -                         | 39.20%       |
| 9.  | Polyamide High Performance Inc.<br>300 Serrano Way, Scottsboro, AL 35768, USA<br>Tel: +1 49 6022 81 2552 Fax: +1 49 6022 81 31 2552                                                                                                                 | Common Share         | 1,000                     | 80.00%       |
| 10. | SafeTweave, Inc.<br>302 Serrano Way, Scottsboro, AL 35769, USA<br>Tel: +1 49 6022 81 2552 Fax: +1 49 6022 81 31 2552                                                                                                                                | Common Share         | 1,000                     | 80.00%       |
| 11. | FiberVisions A/S<br>Engdraget 22, Varde Denmark, DK-6800 Denmark<br>Tel: +45 7994 2200 Fax: +45 7994 2201                                                                                                                                           | Class A<br>Class B   | 122,949,441<br>29,117,600 | 100.00%      |
| 12. | FiberVisions (China) Textile Products Ltd.<br>No. 29 Heng Shan Rd., New District, Suzhou, China<br>Tel: +86 512 6823 1099 Fax: +86 512 6823 0021                                                                                                    | -                    | -                         | 100.00%      |

| Polyester Business       |                                                                                                                                                                                                                                |                |               |              |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|--------------|
| No.                      | Company Name/Address                                                                                                                                                                                                           | Type of Shares | Shares Issued | Shareholding |
| 13.                      | ES FiberVisions (Suzhou) Co., Ltd.<br>No. 29 Hengshan Rd. Suzhou New District 215011 China<br>Tel: +86 512 6823 1099 Fax: +86 512 6823 0021                                                                                    | -              | -             | 50.00%       |
| 14.                      | FiberVisions Manufacturing Company<br>The Corporation Trust Company, 1209 Orange St.,<br>Wilmington, DE 19801, USA<br>Tel: +1 302 658-7581 Fax: +1 302 655-2480                                                                | Common Share   | 100           | 100.00%      |
| 15.                      | FiberVisions Products, Inc.<br>CT Corporation System, 1202 Peachtree St.,<br>Atlanta, GA 30361, USA<br>Tel: +1 800 241 8922 Fax: +1 404 888 7795                                                                               | Common Share   | 25,000        | 100.00%      |
| 16.                      | Wellman France Recyclage S.A.S.<br>Zone Industrielle de Regret 55100 Verdun, France<br>Tel: +33 971 002 005 Fax: +33 329 843 104                                                                                               | Common Share   | 500           | 100.00%      |
| 17.                      | Wellman International Limited<br>Mullagh, Kells, Co.Meath, Ireland<br>Tel: +353 46 9280200 Fax: +353 46 9280300                                                                                                                | Common Share   | 1,100,850     | 100.00%      |
| 18.                      | Performance Fibers (Kaiping) Company Limited<br>3 Hongqiao Road, Changsha, Kaiping, Guangdong Province,<br>People's Republic Of China<br>Tel: +86 750 2278000 Fax: +86 750 2218093                                             | -              | -             | 100.00%      |
| 19.                      | Performance Fibers (Kaiping) No.2 Company Limited<br>1 Huan Cui Road West, Cuishan Lake New Region, Kaiping,<br>Guangdong Province, People's Republic Of China<br>Tel: +86 750 2278000 Fax: +86 750 2218093                    | -              | -             | 100.00%      |
| Wool Business            |                                                                                                                                                                                                                                |                |               |              |
| No.                      | Company Name/Address                                                                                                                                                                                                           | Type of Shares | Shares Issued | Shareholding |
| 1.                       | Indorama Holdings Limited<br>75/64, 65 Ocean Tower 2, 28 <sup>th</sup> Floor,<br>Soi Sukhumvit 19 (Wattana),<br>Asoke Road, Klongtoey Nuer, Wattana,<br>Bangkok 10110, Thailand<br>Tel: +66 2 661 6661 Fax: +66 2 661 6664 - 5 | Common Share   | 77,446,800    | 99.81%       |
| Holding Company Business |                                                                                                                                                                                                                                |                |               |              |
| No.                      | Company Name/Address                                                                                                                                                                                                           | Type of Shares | Shares Issued | Shareholding |
| 1.                       | Indo Polymers Mauritius Limited<br>Les Cascades, Edith Cavell Street, Port Louis,<br>Republic of Mauritius                                                                                                                     | Common Share   | 867,240,558   | 100.00%      |
| 2.                       | Indorama Netherlands Cooperatief U.A.<br>Markweg 201, 3198NB Europoort, Rotterdam, Netherlands<br>Tel: +31 181 285 400 Fax: +31 181 285 405                                                                                    | -              | -             | 100.00%      |
| 3.                       | Indorama Netherlands B.V.<br>Markweg 201, 3198NB Europoort, Rotterdam, Netherlands<br>Tel: +31 181 285 400 Fax: +31 181 2850 405                                                                                               | Common Share   | 18,000        | 100.00%      |

## Holding Company Business

| No. | Company Name/Address                                                                                                                                                                                     | Type of Shares                | Shares Issued           | Shareholding |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------|--------------|
| 4.  | Beacon Trading (UK) Limited<br>23 Northiam, Woodside Park, N 12 7 ET,<br>London, United Kingdom                                                                                                          | Common Share                  | 70,000                  | 100.00%      |
| 5.  | Beverage Plastics (Holdings) Limited<br>Silverwood Business Park, 70 Silverwood Road,<br>Lurgan Craigavon, County Armagh,<br>BT 66 6 LN, Northern Ireland<br>Tel: +44 2838311800 Fax: +44 2838311888     | Class A<br>Class B<br>Class C | 5,100<br>2,450<br>2,450 | 51.00%       |
| 6.  | KP Equity Partners Inc.<br>Lot 2&3, Level 3, Wisma Lazenda, Jalan,<br>Kemajuan, 87000 F.T. Labuan, Malaysia<br>Tel: +60 87 414 073 Fax: +60 87 413 281                                                   | Common Share                  | 10,000                  | 100.00%      |
| 7.  | PHP Overseas Investments GmbH<br>Industries Center Obernburg, 63784, Obernburg, Germany<br>Tel: +49 6022 81 2552 Fax: +49 6022 81 31 2552                                                                | Common Share                  | 2                       | 80.00%       |
| 8.  | Trevira Holdings GmbH<br>Max-Fischer-Strasse 11, 86399 Bobingen,<br>Federal Republic of Germany                                                                                                          | Common Share                  | 25,000                  | 75.00%       |
| 9.  | Indorama Ventures Recycling Netherlands B.V.<br>Markweg 201, 3198 NB Europoort, Rotterdam, Netherlands<br>Tel: +31 181 285 400 Fax: +31 181 2850 405                                                     | Common Share                  | 18,000                  | 100.00%      |
| 10. | Indorama Ventures Holdings LP<br>Corporation Service Company, 2711 Centerville Rd,<br>Suite 400, Wilmington, Delaware 19808, USA                                                                         | -                             | -                       | 100.00%      |
| 11. | Indorama Ventures USA Holdings LP<br>Corporation Service Company, 2711 Centerville Road,<br>Suite 400, Wilmington, Delaware 19808, USA                                                                   | -                             | -                       | 100.00%      |
| 12. | Indorama Ventures Performance Fibers Holdings USA, LLC<br>Corporation Service Company, 2711 Centerville Road,<br>Suite 400, Wilmington, Delaware 19808, USA<br>Tel: +1 302 636-5401 Fax: +1 302 636-5454 | Partnership                   | 100                     | 100.00%      |
| 13. | FiberVisions Corporation<br>3700 Crestwood Pkwy, Suite 900, Duluth, GA 30096, USA<br>Tel: +1 678 578 7240 Fax: +1 678 578 7276                                                                           | Common Share                  | 1,000                   | 100.00%      |
| 14. | FiberVisions (China) A/S<br>Engdraget 22, Varde Denmark, DK-6800, Denmark<br>Tel: +45 7994 2200 Fax: +45 7994 2201                                                                                       | Common Share                  | 100,000                 | 100.00%      |
| 15. | ES FiberVisions Holdings Aps<br>Engdraget 22, Varde Denmark, DK- 6800, Denmark<br>Tel: +45 7994 2200 Fax: +45 7994 2201                                                                                  | Common Share                  | 48,500                  | 50.00%       |
| 16. | ES FiberVisions Hong Kong Limited<br>Unit No. 2810. 28/F, The Metropolis Tower,<br>10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong<br>Tel: +852 2970 5555 Fax: +852 2970 5678                          | Common Share                  | 616,010                 | 50.00%       |

| Holding Company Business |                                                                                                                                                                                                    |                          |               |              |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------|--------------|
| No.                      | Company Name/Address                                                                                                                                                                               | Type of Shares           | Shares Issued | Shareholding |
| 17.                      | Indorama Ventures OGL Holdings LP<br>Corporation Service Company, 2711 Centerville Road,<br>Suite 400, Wilmington, Delaware 19808, USA                                                             | -                        | -             | 100.00%      |
| 18.                      | FiberVisions, L.P.<br>3700 Crestwood Pkwy, Suite 900, Duluth, GA 30096, USA<br>Tel: +1 (302) 658-7581 Fax: +1 (302) 655-2480                                                                       | -                        | -             | 100.00%      |
| 19.                      | ES FiberVisions, Inc.<br>3700 Crestwood Pkwy, Suite 900, Duluth, GA 30096 U.S.A.<br>Tel: +1 302 636 5401 Fax: +1 302 636 5454                                                                      | Common Share             | 100           | 50.00%       |
| 20.                      | IVL Holding S. de R.L. de C.V.<br>Prolongacion Paseo De La Reforma 1015 Torre A-2<br>Desarrollo Santa Fe Distrito, Federal 01376, Mexico, D.F.<br>Tel: +52 55 91775700 Fax: +52 55 52924919        | Equity Quota<br>Series A | 2             | 100.00%      |
| 21.                      | Grupo Indorama Ventures S.de R.L. C.V.<br>Prolongacion Paseo De La Reforma 1015 Torre A-2<br>Desarrollo Santa Fe Distrito, Federal 01376 Mexico, D.F.<br>Tel: +52 55 91775700 Fax: +52 55 52924919 | Equity Quota<br>Class I  | 2             | 100.00%      |
| 22.                      | Indorama Ventures Alphapet Holdings, Inc.<br>Corporation Service Company, 2711 Centerville Road,<br>Suite 400, Wilmington, DE 19808, USA                                                           | Common Share             | 100           | 100.00%      |
| 23.                      | Indorama Ventures Polyholding LLC<br>2711 Centerville Road, Suite 400, Wilmington, USA                                                                                                             | Partnership              | 100           | 100.00%      |
| 24.                      | Indorama Polymers (USA) LLC<br>1301 Finley Island Road, Decatur, Alabama, AL 35601, USA<br>Tel: +1 256 308 1180 Fax: +1 256 341 5926                                                               | -                        | -             | 100.00%      |
| 25.                      | Indorama Ventures USA LLC<br>2711 Centerville Road, Suite 400, Wilmington, New Castle<br>County, Delaware 19808                                                                                    | Partnership              | 100           | 100.00%      |
| 26.                      | IVL Belgium N.V.<br>Jules Bordetlaan 160, 1140 Evere, Belgium                                                                                                                                      | Common Share             | 30,615        | 99.99%       |
| 27.                      | UAB Ottana Polimeri Europe<br>Metalo G.16, Klaipeda, Republic of Lithuania, LT-94102                                                                                                               | Common Share             | 21,072,080    | 50.00%       |
| 28.                      | Performance Fibers Holdings Finance, Inc.<br>874 Walker Road, Suite C, City of Dover,<br>County of Kent, State of Delaware 19904, USA<br>Tel: +1 678 578 7247 Fax: +1 678 578 7276                 | Common Share             | 1,000         | 100.00%      |
| 29.                      | Performance Fibers Asia Holdings, LLC<br>Corporation Trust Center, 1209 Orange St.,<br>Wilmington, Delaware 19801, USA<br>Tel: +1 678 578 7247 Fax: +1 678 578 7276                                | -                        | -             | 100.00%      |
| 30.                      | Performance Fibers Asia, LLC<br>Corporation Trust Center, 1209 Orange St.,<br>Wilmington, Delaware 19801, USA<br>Tel: +1 678 578 7247 Fax: +1 678 578 7276                                         | -                        | -             | 100.00%      |

## Holding Company Business

| No. | Company Name/Address                                                                                                                                                          | Type of Shares                | Shares Issued                        | Shareholding |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------|--------------|
| 31. | Indorama Ventures Northern Investments Inc.<br>10200 rue Sherbrooke E., Montreal-Est,<br>Quebec H1B 1B4, Canada<br>Tel: +1 514 645 7887 Fax: +1 514 645 9115                  | Class A<br>Class B<br>Class C | 10,401<br>149,889,750<br>256,766,500 | 100.00%      |
| 32. | Indorama Ventures Gestion Inc.<br>10200 rue Sherbrooke E., Montreal-Est,<br>Quebec H1B 1B4, Canada<br>Tel: +1 514 645 7887 Fax: +1 514 645 9115                               | Common Share                  | 100                                  | 100.00%      |
| 33. | Indorama Ventures Dutch Investments B.V.<br>Markweg 201, 3198NB Europoort, Rotterdam, Netherlands<br>Tel: +31 181 285 400 Fax: +31 181 285 405                                | Common Share                  | 8,914,320                            | 51.00%       |
| 34. | Indorama Ventures Investments USA LLC<br>2711 Centerville Road, Suite 400, Wilmington,<br>New Castle County, Delaware 19808, USA<br>Tel: +1 302 636 5401 Fax: +1 302 636 5454 | -                             | -                                    | 100.00%      |
| 35. | Indorama Ventures Olefins Holding LLC<br>2711 Centerville Road, Suite 400, Wilmington,<br>New Castle County, Delaware 19808, USA<br>Tel: +1 302 636 5401 Fax: +1 302 636 5454 | -                             | -                                    | 100.00%      |

## International Headquarter Business

| No. | Company Name/Address                                                                                                                                                                                                                         | Type of Shares | Shares Issued | Shareholding |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|--------------|
| 1.  | Indorama Ventures Global Services Limited<br>75/80-81 Ocean Tower 2, 32 <sup>nd</sup> Floor,<br>Soi Sukhumvit 19 (Wattana), Asoke Road,<br>Klongtoey Nuer, Wattana, Bangkok 10110, Thailand<br>Tel: + 66 2 661 6661 Fax: + 66 2 661 6664 - 5 | Common Share   | 2,000,000     | 99.99%       |

## Trading & Services Business

| No. | Company Name/Address                                                                                                                                                                                                | Type of Shares | Shares Issued | Shareholding |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|--------------|
| 1.  | IVL Singapore Pte. Ltd.<br>17 Phillip Street#05-01, Grand Building, Singapore (048695)                                                                                                                              | Common Share   | 59,000,000    | 100.00%      |
| 2.  | UAB Indorama Polymers Europe<br>Metalo G.16, LT-94102 Klaipeda, Republic of Lithuania<br>Tel: + 370 46 300749 Fax: + 370 46 314323                                                                                  | Common Share   | 725,088       | 100.00%      |
| 3.  | UAB Indorama Holdings Europe<br>Metalo G.16, LT-94102 Klaipeda, Republic of Lithuania<br>Tel: + 370 46 300749 Fax: + 370 46 314323                                                                                  | Common Share   | 1,173,952     | 100.00%      |
| 4.  | Indorama Trading (UK) Limited<br>23 Northiam, Woodside Park,<br>N 12 7 ET, London, United Kingdom                                                                                                                   | Common Share   | 10,000        | 100.00%      |
| 5.  | Indorama Trading AG<br>Strengelbacherstrasse 1, CH 4800 Zofingen, Switzerland                                                                                                                                       | Common Share   | 100           | 100.00%      |
| 6.  | PHP-Shenma Air Bag Yarn Marketing (Shanghai) Co. Ltd.<br>China Merchants Plaza, East Building, Room 1107,<br>No 333 Cheng Du Road (North), Shanghai 200041, China<br>Tel: +49 6022 81 2552 Fax: +49 6022 81 31 2552 | Common Share   | 200,000       | 40.80%       |

| Trading & Services Business |                                                                                                                                                                                                                               |                         |               |              |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------|--------------|
| No.                         | Company Name/Address                                                                                                                                                                                                          | Type of Shares          | Shares Issued | Shareholding |
| 7.                          | TTI GmbH<br>Kasinostr. 19 – 21, 42103 Wuppertal, Germany<br>Tel: +49 6022 81 2552 Fax: +49 6022 81 31 2552                                                                                                                    | Common Share            | 25,100        | 40.00%       |
| 8.                          | Trevira North America, LLC<br>5206 Leonardslee CT, Charlotte,<br>Mecklenburg County,<br>North Carolina, 28226, USA                                                                                                            | -                       | -             | 75.00%       |
| 9.                          | ES FiberVisions Company Limited<br>3-3-23 Nakanoshima, Kita-Ku,<br>Osaka 530-0005, Japan<br>Tel: +81 6 6441 3307 Fax: +81 6 6441 3347                                                                                         | Common Share            | 200           | 50.00%       |
| 10.                         | ES Fiber Visions LP<br>Entity Services (Nevada) LLC,<br>2215- B Renaissance Dr., Suite 10,<br>Las Vegas, NV 89119, USA<br>Tel: +1 706 357 5100 Fax: +1 706 966 4247                                                           | -                       | -             | 50.00%       |
| 11.                         | ES FiberVisions ApS<br>Engdraget 22, Varde Denmark, DK- 6800<br>Tel: +45 7994 2200 Fax: +45 7994 2201                                                                                                                         | -                       | -             | 50.00%       |
| 12.                         | ES FiberVisions China Limited<br>No. 305, 7Sone, Trade Bldg., GuangBao Rd.,<br>Guangzhou, Free Trade Zone, China<br>Tel: +86 20 8220 9018 Fax: +86 20 8220 9973                                                               | -                       | -             | 50.00%       |
| 13.                         | Indorama Ventures Ecomex Services, S. DE R.L. DE C.V.<br>Carretera Libre a Colotlan 6800. Colonia<br>Extramuros. Zapopan, Jalisco, Mexico<br>Tel: +52 5533 1561 3732                                                          | Equity Quota<br>Class I | 2             | 51.00%       |
| 14.                         | Indorama Ventures Polycorn S. de R.L. de C.V.<br>Avenida Prolongacion Paseo De La Reforma 1015<br>Torre A 2 Piso Desarrollo Santa Fe,<br>Distrito Federal 01376 Mexico, D.F.<br>Tel: +52 55 91775700 Fax: +52 55 52924919     | Equity Quota<br>Class I | 2             | 100.00%      |
| 15.                         | Indorama Ventures Servicios Corporativos, S. de R.L. de C.V.<br>Prolongacion Paseo De La Reforma 1015 Torre A 2 Piso<br>Desarrollo Santa Fe, Distrito Federal 01376 Mexico, D.F.<br>Tel: +52 55 91775700 Fax: +52 55 52924919 | Equity Quota<br>Class I | 2             | 100.00%      |
| 16.                         | Performance Fibers (Hongkong) Limited<br>Room 2701, Olympia Plaza, 255 Kings Road,<br>North Point, Hongkong<br>Tel. : + 852 25661063 Fax: + 852 21100033                                                                      | Common Share            | 1,000         | 100.00%      |
| 17.                         | 4200144 Canada Inc.<br>3400 First Canadian Centre, 350 - 7 <sup>th</sup> Avenue SW,<br>Calgary, Alberta T2P 3N9, Canada<br>Tel: +1 514 645 7887 (229) Fax: +1 514 645 9115                                                    | Class A                 | 100           | 100.00%      |

| Transportation Business |                                                                                                                                                                               |                |               |              |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|--------------|
| No.                     | Company Name/Address                                                                                                                                                          | Type of Shares | Shares Issued | Shareholding |
| 1.                      | Indorama Ventures Logistics LLC<br>Corporation Service Company, 2711 Centerville Rd, Ste 400,<br>Wilmington, Delaware 19808, USA<br>Tel: +1 847 943 3100 Fax: +1 847 607 9941 | -              | -             | 100.00%      |
| Non-Operating Business  |                                                                                                                                                                               |                |               |              |
| No.                     | Company Name/Address                                                                                                                                                          | Type of Shares | Shares Issued | Shareholding |
| 1.                      | Indorama Polymers Rotterdam B.V.<br>Markweg 201, 3198 NB, Europoort, Harbour No.6347,<br>Rotterdam, Netherlands<br>Tel: +31 181 285 400 Fax: +31 181 285 405                  | Common Share   | 18,000        | 100.00%      |
| 2.                      | Indorama Holdings Rotterdam B.V.<br>Markweg 201, 3198 NB, Europoort, Rotterdam, Netherlands<br>Tel: +31 181 285 400 Fax: +31 181 285 405                                      | Common Share   | 18,000        | 100.00%      |
| 3.                      | MJR Recycling B.V.<br>Tengnagelwaard 5, NL-6917 AE Spijk(Gld), Netherlands<br>Tel: +31 656 6250 Fax: +31 656 6251                                                             | Common Share   | 18,100        | 100.00%      |
| 4.                      | Wellman International Handellsgesellschaft GmbH<br>Konrad-Zuse-Strabe 4a, 59174 Kamen, Germany<br>Tel: +49 2307 96789 0 Fax: +49 2307 96789 10                                | -              | -             | 100.00%      |
| 5.                      | FiberVisions vermögensverwaltungs mbH<br>Local Court of Dusseldorf Werdener Straße 1,<br>40227 Düsseldorf Germany<br>Tel: +49 211 8306 0 Fax: +49 211 87565 116 0             | Common Share   | 3,000,000     | 100.00%      |
| 6.                      | Indorama Ventures North America LLC<br>2711 Centerville Road, Suite 400, Wilmington,<br>New Castle County, Delaware 19808 USA<br>Tel: +1 302 636-5401 Fax: +1 302 636-5454    | -              | -             | 100.00%      |
| 7.                      | Eternity Infrabuild Private Limited<br>303-305, Gopal Heights, Netaji Subhash Place,<br>New Delhi-110034 India<br>Tel: +91 11 4111 7777 Fax: +91 11 4111 7717                 | Common Share   | 2,000,000     | 99.99%       |
| 8.                      | Sanchit Polymers Private Limited<br>303-305, Gopal Heights, Netaji Subhash Place,<br>New Delhi-110034, India<br>Tel: +91 11 4111 7777 Fax: +91 11 4111 7717                   | Common Share   | 2,000,000     | 99.99%       |

# BOARD OF DIRECTORS



**Sri Prakash  
Lohia**

**Chairman**

## **Director Type**

- ◆ Non-Executive Director

## **Age**

- ◆ 63

## **Appointment Date of Directorship**

- ◆ 19 September 2009

## **Education**

- ◆ Bachelor of Commerce, Delhi University, India

## **Training Program**

- ◆ -None-

## **Working Experience (during the recent 5 years)**

### **Other Listed Companies in SET**

- ◆ -None-

## **Other Organizations (as of 31 December 2015)**

- |                |                                                                         |
|----------------|-------------------------------------------------------------------------|
| 2014 - Present | ◆ Director<br>Industries Chimiques Du Senegal S.A., Senegal             |
| 2013 - Present | ◆ Director<br>Indorama Commerce DMCC                                    |
| 2012 - Present | ◆ Director<br>Indorama Eleme Fertilizer & Chemicals Ltd.                |
| 2012 - Present | ◆ Director<br>Indorama Services UK Ltd.                                 |
| 2011 - Present | ◆ President Commissioner<br>PT. Indorama Ventures Indonesia             |
| 2011 - Present | ◆ President Commissioner<br>PT. Indorama Polyester Industries Indonesia |
| 2011 - Present | ◆ President Commissioner<br>PT. Indorama Polychem Indonesia             |
| 2011 - Present | ◆ President Commissioner<br>PT. Indorama Polypet Indonesia              |
| 2011 - Present | ◆ President Commissioner<br>PT. Indorama Petrochemicals                 |
| 2009 - Present | ◆ Chairman<br>Indorama Corporation Pte. Ltd.                            |
| 2009 - Present | ◆ Director<br>Indorama Group Holdings Ltd.                              |
| 2009 - Present | ◆ President Commissioner<br>PT. Indo-Rama Synthetics Tbk                |
| 2006 - Present | ◆ Chairman<br>Indorama Eleme Petrochemicals Ltd.                        |

## **% of shareholding in IVL As of 31 December 2015**

- ◆ -None-



# Alope Lohia

**Vice Chairman, Chairman of the Sustainability and Risk Management Committee, Member of the Nomination, Compensation and Corporate Governance Committee and Group Chief Executive Officer**

## Director Type

- ◆ Executive Director

## Age

- ◆ 57

## Appointment Date of Directorship

- ◆ 19 September 2009

## Education

- ◆ Honorary PhD Degree of Business Administration, Rajamangala University of Technology Thanyaburi, Thailand
- ◆ Bachelor of Commerce, Delhi University, India

## Training Program

- ◆ Director Accreditation Program Class No. 65/2007, Thai Institute of Directors, Thailand

## Working Experience (during the recent 5 years)

### Other Listed Companies in SET

- ◆ -None-

## Other Organizations (as of 31 December 2015)

- |                |                                                               |
|----------------|---------------------------------------------------------------|
| 2012 - Present | ◆ Commissioner<br>PT. Indorama Polypet Indonesia              |
| 2012 - Present | ◆ Chairman<br>Indorama Polyester Industries PCL               |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Polychem Indonesia             |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Petrochemicals                 |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Ventures Indonesia             |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Polyester Industries Indonesia |
| 2009 - Present | ◆ Chairman<br>Indorama Resources Ltd.                         |
| 2009 - Present | ◆ Director<br>Indorama Petrochem Ltd.                         |
| 2008 - Present | ◆ Director<br>TPT Petrochemicals PCL                          |
| 2004 - Present | ◆ Director<br>Canopus International Ltd.                      |
| 2004 - Present | ◆ Chairman<br>Indorama Polymers PCL                           |
| 2001 - Present | ◆ Chairman<br>Asia Pet (Thailand) Ltd.                        |
| 1996 - Present | ◆ Director<br>Petform (Thailand) Ltd.                         |
| 1994 - Present | ◆ Chairman<br>Indorama Holdings Ltd.                          |

## % of shareholding in IVL As of 31 December 2015

- ◆ 10 shares or 0.00%

# Suchitra Lohia

**Director and Chairperson of the Corporate Social  
Responsibility Committee**

## **Director Type**

- ◆ Executive Director

## **Age**

- ◆ 51

## **Appointment Date of Directorship**

- ◆ 19 September 2009

## **Education**

- ◆ Owner President Management Program Harvard Business School
- ◆ Bachelor of Commerce, Delhi University, India

## **Training Program**

- ◆ Capital Market Academy Leadership Program, Capital Market Academy (Class 14), Thailand
- ◆ Director Accreditation Program Class No. 108/2014 Thai Institute of Directors, Thailand

## **Working Experience (during the recent 5 years)**

### **Other Listed Companies in SET**

- ◆ -None-

## **Other Organizations (as of 31 December 2015)**

- |                |                                                               |
|----------------|---------------------------------------------------------------|
| 2012 - Present | ◆ Chairperson<br>Indorama Petrochem Ltd.                      |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Polychem Indonesia             |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Petrochemicals                 |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Ventures Indonesia             |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Polyester Industries Indonesia |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Polypet Indonesia              |
| 2011 - Present | ◆ Chairperson<br>TPT Petrochemicals PCL                       |
| 2009 - Present | ◆ Director<br>Indorama Resources Ltd.                         |
| 2008 - Present | ◆ Director<br>Indorama Polyester Industries PCL               |
| 2007 - Present | ◆ Director<br>Canopus International Ltd.                      |
| 2007 - Present | ◆ Director<br>Indorama Polymers PCL                           |
| 2001 - Present | ◆ Director<br>Asia Pet (Thailand) Ltd.                        |
| 1996 - Present | ◆ Director<br>Petform (Thailand) Ltd.                         |
| 1994 - Present | ◆ Director<br>Indorama Holdings Ltd.                          |

## **% of shareholding in IVL As of 31 December 2015**

- ◆ -None-



# Amit Lohia

Director

## Director Type

- ◆ Non-Executive Director

## Age

- ◆ 41

## Appointment Date of Directorship

- ◆ 19 September 2009

## Education

- ◆ Bachelor of Economics and Finance, Wharton School of Business, USA

## Training Program

- ◆ -None-

## Working Experience (during the recent 5 years)

### Other Listed Companies in SET

- ◆ -None-

## Other Organizations (as of 31 December 2015)

- |                |                                                               |
|----------------|---------------------------------------------------------------|
| 2014 - Present | ◆ Director<br>Indorama Chimiques Du Senegal S.A., Senegal     |
| 2013 - Present | ◆ Vice President Commissioner<br>PT. Indo-Rama Synthetics Tbk |
| 2012 - Present | ◆ Director<br>Indorama Eleme Fertilizer & Chemicals Limited   |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Ventures Indonesia             |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Polyester Industries Indonesia |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Polychem Indonesia             |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Polypet Indonesia              |
| 2011 - Present | ◆ Commissioner<br>PT. Indorama Petrochemicals                 |
| 2011 - Present | ◆ Director<br>Indorama Commerce DMCC, Dubai                   |
| 2009 - Present | ◆ Director<br>UIB Insurance Brokers (India) Private Ltd.      |
| 2009 - Present | ◆ Group Managing Director<br>Indorama Corporation Pte. Ltd.   |
| 2008 - Present | ◆ Director<br>Indorama Group Holdings Ltd.                    |
| 2006 - Present | ◆ Director<br>Indorama Eleme Petrochemicals Ltd.              |
| 2004 - Present | ◆ Director<br>Isin International Pte. Ltd.                    |

## % of shareholding in IVL As of 31 December 2015

- ◆ -None-



# Dilip Kumar Agarwal

**Director, Member of the Sustainability and Risk Management Committee and Chief Executive Officer of Feedstock and PET Business**

## Director Type

- ◆ Executive Director

## Age

- ◆ 58

## Appointment Date of Directorship

- ◆ 27 April 2010

## Education

- ◆ Bachelor of Science, University of Udaipur, India
- ◆ Chartered Accountant  
The Institute of Chartered Accountants of India
- ◆ Cost Accountant Institute of Cost & Management Accountants of India
- ◆ Company Secretary The Institute of Company Secretaries of India (ICSI), India

## Training Program

- ◆ Director Accreditation Program Class No. 65/2007  
Thai Institute of Directors, Thailand
- ◆ Director Certification Program Class No. 182/2013  
Thai Institute of Directors, Thailand

## Working Experience (during the recent 5 years)

### Other Listed Companies in SET

- ◆ -None-

### Other Organizations (as of 31 December 2015)

- 2015 - Present ◆ Director Indorama Ventures Olefins LLC.
- 2015 - Present ◆ Director Indorama Ventures Northern Investments Inc.
- 2015 - Present ◆ Director Indorama Ventures Gestion Inc.
- 2015 - Present ◆ Chairman Indorama Ventures Corlu PET Sanayi Anonim Sirketi
- 2015 - Present ◆ Director Micro Polypet Private Ltd.
- 2015 - Present ◆ Director Sanchit Polymers Private Ltd.
- 2015 - Present ◆ Director Eternity Infrabuild Private Ltd.
- 2015 - Present ◆ Chairman Indorama Ventures Polymers (Rayong) PCL
- 2014 - Present ◆ President Indorama Ventures USA LLC
- 2014 - Present ◆ Chairman Indorama Ventures Adana PET Sanayi Anonim Sirketi
- 2014 - Present ◆ Chairman Indorama Ventures Polyholdings LLC
- 2014 - Present ◆ Chairman Indorama Ventures Ecomex, S. de R.L. de C.V.

- 2014 - Present ◆ Chairman Indorama Ventures Ecomex Services, S. de R.L. de C.V.
- 2013 - Present ◆ Director Indorama Ventures Global Services Ltd.
- 2013 - Present ◆ Chairman Indorama Ventures AlphaPet Holdings, Inc
- 2011 - Present ◆ Director KP Equity Partners Inc.
- 2011 - Present ◆ Director PT. Indorama Polypet Indonesia
- 2011 - Present ◆ Director Indorama Ventures Logistics LLC
- 2011 - Present ◆ Director Indorama Ventures (Oxide & Glycols) LLC
- 2011 - Present ◆ Chairman Guangdong IVL PET Polymer Co., Ltd.
- 2011 - Present ◆ Director PT. Indorama Ventures Indonesia
- 2011 - Present ◆ Director PT. Indorama Polyester Industries Indonesia
- 2011 - Present ◆ Director Indorama Ventures Poland Sp. z o.o.
- 2011 - Present ◆ Director StarPet Inc.
- 2011 - Present ◆ Director Auriga Polymers Inc.
- 2011 - Present ◆ President IVL Holding, S. de R.L. de C.V.
- 2011 - Present ◆ President Grupo Indorama Ventures, S. de R.L. de C.V.
- 2011 - Present ◆ President Indorama Ventures Polymers Mexico, S. de R.L. de C.V.
- 2011 - Present ◆ President Indorama Ventures Polycor, S. de R.L. de C.V.
- 2011 - Present ◆ President Indorama Ventures Servicios Corporativos, S. de R.L. de C.V.
- 2010 - Present ◆ Director Indorama PET (Nigeria) Ltd.
- 2010 - Present ◆ Director UAB Ottana Polimeri Europe
- 2010 - Present ◆ Chairman IVL Belgium N.V.
- 2010 - Present ◆ Director Indorama Petrochem Ltd.
- 2010 - Present ◆ Director TPT Petrochemicals PCL
- 2007 - Present ◆ Director Indorama Polymers Rotterdam B.V.
- 2007 - Present ◆ Director Indorama Polymers Workington Ltd.
- 2007 - Present ◆ Director Indorama Holdings Rotterdam B.V.
- 2007 - Present ◆ Director AlphaPet, Inc.
- 2007 - Present ◆ Director UAB Indorama Holdings Europe
- 2007 - Present ◆ Director UAB Indorama Polymers Europe
- 2004 - Present ◆ Director Indorama Polymers PCL
- 2003 - Present ◆ Chairman UAB Orion Global PET
- 2001 - Present ◆ Director Asia Pet (Thailand) Ltd.
- 1996 - Present ◆ Director Petform (Thailand) Ltd.

### % of shareholding in IVL As of 31 December 2015

- ◆ -None-



# Udey Paul Singh Gill

**Director, Member of Sustainability and Risk Management  
Committee and President of Polyester Business**

## Director Type

- ◆ Executive Director

## Age

- ◆ 62

## Appointment Date of Directorship

- ◆ 27 April 2011

## Education

- ◆ Bsc. (Hons.), PAU Ludhiana Punjab India
- ◆ MBA (Marketing Management) College of Basic Sciences PAU, Ludhiana Punjab India
- ◆ International Trade, Fulbright Scholar, University of California, USA

## Training Program

- ◆ Director Accreditation Program (DAP) Class No. 95/2012, Thai Institute of Directors, Thailand
- ◆ Director Certification Program (DCP) Class No. 182/2013, Thai Institute of Directors, Thailand

## Working Experience (during the recent 5 years)

### Other Listed Companies in SET

- ◆ -None-

## Other Organizations (as of 31 December 2015)

- 2015 - Present ◆ Director  
Performance Fibers (Kaiping) Company Limited
- 2015 - Present ◆ Director  
Performance Fibers (Kaiping) No.2 Company Limited
- 2015 - Present ◆ Chairman  
Performance Fibers (Hongkong) Limited
- 2014 - Present ◆ Director  
PHP Fibers GmbH
- 2014 - Present ◆ Director  
Polyamide High Performance Inc.
- 2013 - Present ◆ Chief Executive Officer  
Trevira Holdings GmbH
- 2012 - Present ◆ Director  
FiberVisions Corporation
- 2011 - Present ◆ Director  
Indorama Polyester Industries PCL
- 2011 - Present ◆ President Director  
PT. Indorama Polychem Indonesia
- 2011 - Present ◆ President Director  
PT. Indorama Ventures Indonesia
- 2011 - Present ◆ President Director  
PT. Indorama Polyester Industries Indonesia
- 2011 - Present ◆ Director  
KP Equity Partners Inc.
- 2011 - Present ◆ Manager  
Indorama Ventures Performance Fibers Holdings USA LLC
- 2011 - Present ◆ Director  
Wellman International Limited

## % of shareholding in IVL As of 31 December 2015

- ◆ -None-



# Rathian Srimongkol

**Independent Director, Vice Chairman, Chairman of the Audit Committee and Member of the Sustainability and Risk Management Committee**

## Director Type

- ◆ Independent Director

## Age

- ◆ 56

## Appointment Date of Directorship

- ◆ 19 September 2009

## Education

- ◆ Master of Business Administration, Thammasat University, Thailand
- ◆ M.P.A. (General Administration), Suan Sunandha Rajabhat University, Thailand
- ◆ Medical Degree (Siriraj Hospital), Mahidol University, Thailand
- ◆ Bachelor of Medical Science, Mahidol University, Thailand

## Training Program

- ◆ Certificate in Politics and Governance in Democratic Systems for Executives Course (Class 9) King Prajadhipok's Institute, Thailand
- ◆ Diploma, National Defence College, The Joint State - Private Sectors Course Class No. 51/21, National Defence College of Thailand
- ◆ Capital Market Academy Leadership Program Capital Market Academy (Class 11), Thailand
- ◆ Director Certification Program Class No. 8/2001 Thai Institute of Directors, Thailand
- ◆ Role of the Chairman Program Class No. 19/2008 Thai Institute of Directors, Thailand
- ◆ Financial Statements Demystified for Director Class No.1/2009, Thai Institute of Directors, Thailand

## Working Experience (during the past 5 years)

### Other Listed Companies in SET

- 2013 - Present ◆ Independent Director, Chairman of the Audit Committee, Member of the Corporate Governance Committee and Member of the Nominating & Compensation Committee One To One Contacts Public Company Limited
- 2012 - Present ◆ Director, President and Chief Executive Officer Krungthai Card Public Company Limited

### Other Organizations (as of 31 December 2015)

- 2015 - Present ◆ Director Thai Listed Companies Association

### % of shareholding in IVL As of 31 December 2015

- ◆ 262,000 shares or 0.00%



# Maris Samaram

**Independent Director, Member of the Audit Committee and Member of the Sustainability and Risk Management Committee**

## Director Type

- ◆ Independent Director

## Age

- ◆ 73

## Appointment Date of Directorship

- ◆ 27 April 2010

## Education

- ◆ Program for Management Development, Harvard Business School, USA
- ◆ B.S.B.A. in Accounting, University of the East, Philippines

## Training Program

- ◆ Director Certification Program Class No. 33/2003, Thai Institute of Directors, Thailand
- ◆ Audit Committee Program Class No. 3/2004, Thai Institute of Directors, Thailand
- ◆ Quality of Financial Reporting Class No. 2/2006, Thai Institute of Directors, Thailand
- ◆ Monitoring the Internal Audit Function Class No. 3/2008, Thai Institute of Directors, Thailand
- ◆ Monitoring the System of Internal Control and Risk Management Class No. 4/2008, Thai Institute of Directors, Thailand
- ◆ Handling Conflicts of Interest: What the Board Should Do? (2008), Thai Institute of Directors, Thailand
- ◆ Board Failure and How to Fix it, Thai Institute of Directors, Thailand
- ◆ The Responsibilities and Liabilities of Directors and Executives under the New SEC ACT (May 2008) Thai Institute of Directors, Thailand

## Working Experience (during the past 5 years)

### Other Listed Companies in SET

- 2003 - Present ◆ Independent Director, Chairman of the Audit Committee, Member of the Corporate Governance, Nomination and Remuneration Committee  
Tata Steel (Thailand) Public Company Limited
- 2013 - 2015 ◆ Independent Director, Chairman of the Audit Committee,  
Akara Resources Public Company Limited
- 2003 - 2015 ◆ Independent Director and Chairman of the Audit Committee  
Siam Commercial Bank Public Company Limited

### Other Organizations (as of 31 December 2015)

- 2005 - Present ◆ Director  
PAC (Siam) Co., Ltd.
- 2004 - Present ◆ Director  
Marsh PB Co., Ltd.

### % of shareholding in IVL As of 31 December 2015

- ◆ -None-



# William Ellwood Heinecke

**Independent Director and Chairman of the Nomination,  
Compensation and Corporate Governance Committee**

## **Director Type**

- ◆ Independent Director

## **Age**

- ◆ 66

## **Appointment Date of Directorship**

- ◆ 19 September 2009

## **Education**

- ◆ Honorary Doctoral Degree of Business Administration in Management, Yonok University, Lampang, Thailand
- ◆ International School of Bangkok

## **Training Program**

- ◆ Director Certification Program Class No. 64/2005  
Thai Institute of Directors, Thailand

## **Working Experience (during the recent 5 years)**

### **Other Listed Companies in SET**

- |         |                                                                                                              |
|---------|--------------------------------------------------------------------------------------------------------------|
| Present | ◆ Chairman and Chief Executive Officer<br>Minor International Public Company Limited<br>and its subsidiaries |
| Present | ◆ Chairman<br>Minor Corporation Public Company Limited<br>and its subsidiaries                               |
| Present | ◆ Chairman<br>The Minor Food Group Public Company Limited<br>and its subsidiaries                            |
| Present | ◆ Director<br>Rajadamri Hotel Public Company Limited<br>and its subsidiaries                                 |

### **Other Organizations (as of 31 December 2015)**

- |         |                                      |
|---------|--------------------------------------|
| Present | ◆ Director<br>Everest Worldwide Ltd. |
|---------|--------------------------------------|

### **% of shareholding in IVL As of 31 December 2015**

- ◆ 4,044,932 shares or 0.08%



# Siri Ganjarerndee

**Independent Director, Member of the Audit Committee and  
Member of the Nomination, Compensation and  
Corporate Governance Committee**

## Director Type

- ◆ Independent Director

## Age

- ◆ 67

## Appointment Date of Directorship

- ◆ 27 April 2010

## Education

- ◆ Ph.D. Monetary Economics and Econometrics & Operations Research, Monash University, Australia
- ◆ M.Ec. Economic Statistics and Monetary Economics, University of Sydney, Australia
- ◆ B.Ec. (Hons.) Economic Statistics, University of Sydney, Australia

## Training Program

- ◆ Director Accreditation Program Class No. 4/2003, Thai Institute of Directors, Thailand
- ◆ Director Certification Program Class No. 60/2005, Thai Institute of Directors, Thailand
- ◆ Audit Committee Program Class No. 6/2005, Thai Institute of Directors, Thailand
- ◆ Capital Market Academy Leader Program Class No. 5/2007, The Stock Exchange of Thailand
- ◆ Advanced Management Program Class No. 113/1995 Harvard Business School

## Working Experience (during the recent 5 years)

### Other Listed Companies in SET

- 2014 - Present ◆ Independent Director and Member of the Audit Committee Samitivej PCL
- 2014 - Present ◆ Independent Director and Member of the Audit Committee Raimon Land PCL
- 2000 - Present ◆ Independent Director and Chairman of the Audit Committee The Post Publishing PCL
- 2000 - Present ◆ Vice Chairman and Chairman of the Audit Committee Thai Vegetable Oil PCL

### Other Organizations (as of 31 December 2015)

- 2003 - Present ◆ Director TRIS Corporation Ltd.
- 1999 - Present ◆ Independent Director, Executive Committee Member, Chairman of the Nomination and Remuneration Committee Bangkok Life Assurance PCL

### % of shareholding in IVL As of 31 December 2015

- ◆ -None-



# Kanit Si

**Independent Director and Member of the Nomination,  
Compensation and Corporate Governance Committee**

## Director Type

- ◆ Independent Director

## Age

- ◆ 65

## Appointment Date of Directorship

- ◆ 27 April 2010

## Education

- ◆ MBA - Finance & Quantitative Method  
University of New Orleans, U.S.A.
- ◆ Bachelor of Engineering (Honor & Gold Medal)  
Chulalongkorn University, Thailand

## Training Program

- ◆ Director Certification Program 2003  
Thai Institute of Directors, Thailand
- ◆ Global Leadership Development Program (GLDP)  
International Centre for Leadership in Finance (ICLIF) 2004, Thailand
- ◆ Capital Market Academy Leadership Program,  
Capital Market Academy (Class 9), Thailand

## Working Experience (during the past 5 years)

### Other Listed Companies in SET

- 1998 - Present ◆ Executive Vice President  
Bangkok Bank Public Company Limited

### Other Organizations (As of 31 December 2015)

- 2000 - Present ◆ Director  
Bangkok Industrial Gas Company Limited
- 2000 - Present ◆ Director  
HMC Polymers Company Limited
- 2000 - Present ◆ Director  
Indorama Polyester Industries PCL
- 1999 - Present ◆ Director  
TPT Petrochemicals PCL

### % of shareholding in IVL As of 31 December 2015

- ◆ 200,000 shares or 0.00%



# Russell Leighton Kekuewa

Independent Director and Member of the Sustainability and Risk Management Committee

## Director Type

- ◆ Independent Director

## Age

- ◆ 61

## Appointment Date of Directorship

- ◆ 20 October 2014

## Education

- ◆ Master of Science Industrial Engineering and Engineering Management, Stanford University Stanford, California, U.S.A.
- ◆ Bachelor of Science Civil Engineering University of the Pacific Stockton, California, U.S.A.

## Training Program

- ◆ Director Certification Program (DCP 196/2014), Thai Institute of Directors, Thailand

## Working Experience (during the past 5 years)

### Other Listed Companies in SET

- ◆ -None-

### Other Organizations (as of 31 December 2015)

- 2015 - Present ◆ Independent Director and Chairman of Nomination and Remuneration Committee Boutique Corporation Ltd.
- 2004 - 2014 ◆ Vice President, South and Southeast Asia Tetra Pak (Thailand) Ltd.

### % of shareholding in IVL As of 31 December 2015

- ◆ 959,000 shares or 0.02%



# Chakramon Phasukavanich

Independent Director

## Director Type

- ◆ Independent Director

## Age

- ◆ 67

## Appointment Date of Directorship

- ◆ 13 November 2015

## Education

- ◆ M.A. (Economics), California State University, Northridge, U.S.A.
- ◆ B.A. (Economics), Chulalongkorn University, Thailand

## Training Program

- ◆ Certificate, Senior Executive Development Program (Class 12), Thai Institute of Directors, Thailand
- ◆ The National Defense College of Thailand (Class 39), Thailand
- ◆ Director Accreditation Program Class No. 20/2004, Thai Institute of Directors, Thailand
- ◆ Financial for Non-Financial Director Class No. 13/2004, Thai Institute of Directors, Thailand
- ◆ Audit Committee Program Class No. 14/2006, Thai Institute of Directors, Thailand
- ◆ Director Certification Program Class No. 71/2006, Thai Institute of Directors, Thailand
- ◆ Role of the Chairman Program Class No. 20/2008, Thai Institute of Directors, Thailand
- ◆ Current Issue Seminar Class No. 1/2008, Thai Institute of Directors, Thailand
- ◆ Director Forum Class No. 1/2009, Thai Institute of Directors, Thailand

- ◆ Monitoring the System of Internal Control and Risk Management Class No.9/2010, Thai Institute of Directors, Thailand
- ◆ Advanced Audit Committee Programs Class No.3/2010, Thai Institute of Directors, Thailand
- ◆ Financial Institutions Governance Program Class No.2/2011, Thai Institute of Directors, Thailand
- ◆ Certificate, Senior Executive Development Program Capital Market Academy Class 11 (2011), Thailand

## Working Experience (during the recent 5 years)

### Other Listed Companies in SET

- 2015 - Present ◆ Chairman  
P.C.S. Machine Group Holding PCL.
- 2013 - 2014 ◆ Chairman and Member of the Audit Committee  
P.C.S. Machine Group Holding PCL.
- 2010 - 2014 ◆ Chairman  
CIMB Thai Bank PCL

### Other Organizations (as on 31 December 2015)

- 2013 - 2014 ◆ Independent Director and Member of the Audit Committee  
Akara Resources PCL
- 2011 - 2014 ◆ Member  
Public Sector Development Commission Thailand (OPDC)
- 2009 - 2014 ◆ Member  
Burapha University Council
- 2004 - 2014 ◆ Member  
Council of State, Thailand

### % of shareholding in IVL As of 31 December 2015

- ◆ -None- (held by Spouse - 102,000 shares or 0.00%)



# Sanjay Ahuja

Director and Head of Finance

## Director Type

- ◆ Executive Director

## Age

- ◆ 47

## Appointment Date of Directorship

- ◆ 13 November 2015

## Education

- ◆ Chartered Accountant  
The Institute of Chartered Accountants of India

## Training Program

- ◆ Director Certification Program Class No. 175/2013  
Thai Institute of Directors, Thailand

## Working Experience (during the recent 5 years)

### Other Listed Companies in SET

- ◆ -None-

## Other Organizations (as of 31 December 2015)

- 2015 - Present ◆ Director  
Indorama Ventures Polymers (Rayong) PCL
- 2015 - Present ◆ Director  
Indorama Petrochem Ltd.
- 2015 - Present ◆ Director  
TPT Petrochemicals PCL
- 2015 - Present ◆ Director  
Indorama Ventures Corlu PET Sanayi Anonim Sirketi
- 2014 - Present ◆ Director  
Indorama Ventures Adana PET Sanayi Anonim Sirketi
- 2014 - Present ◆ Director  
IVL Belgium N.V.
- 2013 - Present ◆ Director  
Indorama Ventures Global Services Ltd.
- 2013 - Present ◆ Director  
Indorama Ventures Europe B.V.
- 2012 - Present ◆ Director  
IVL Singapore Pte. Ltd.
- 2012 - Present ◆ Director  
Indorama Polymers Mauritius Ltd.
- 2011 - Present ◆ Director  
Guangdong IVL PET Polymer Co., Ltd.

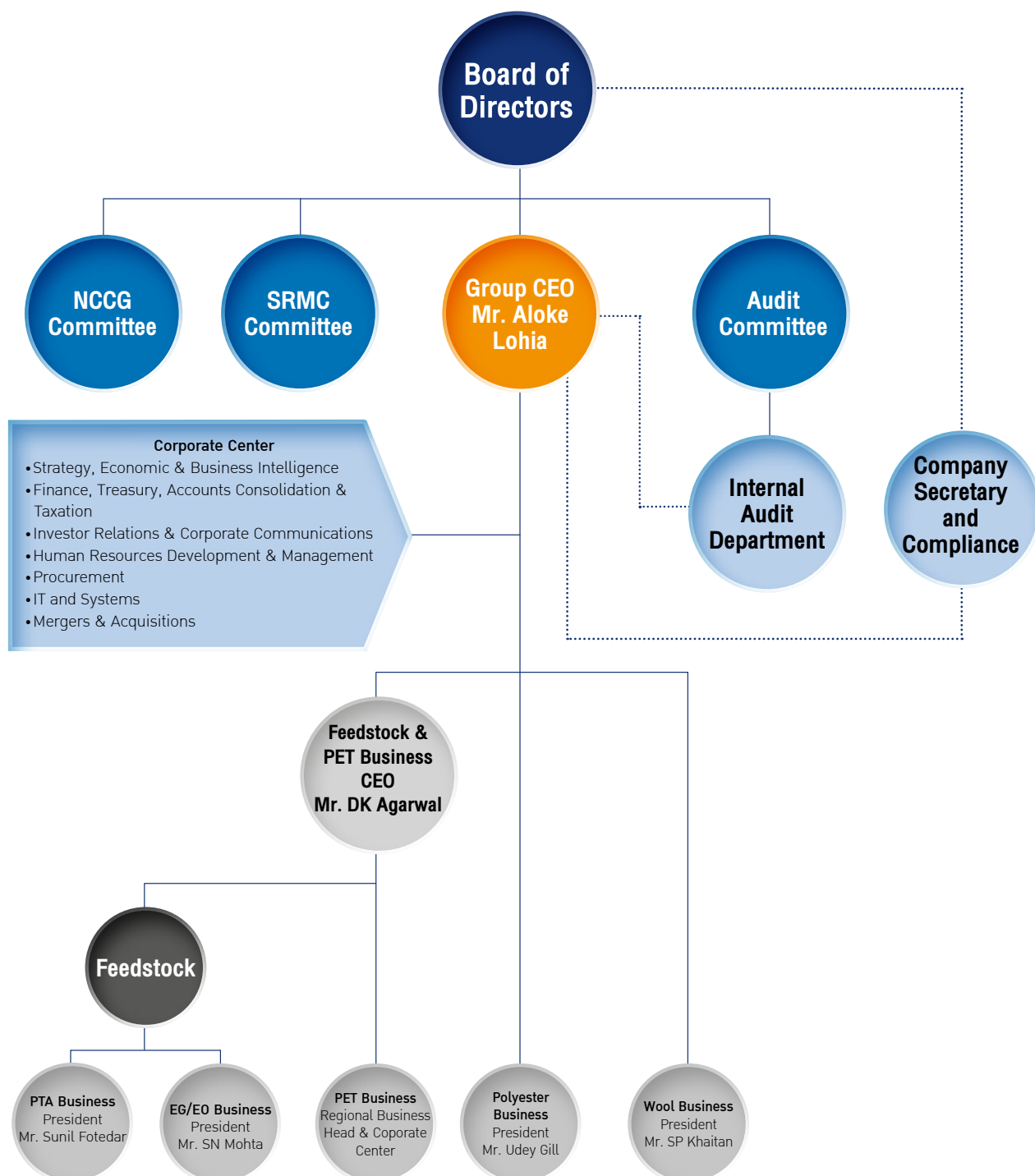
## % of shareholding in IVL As of 31 December 2015

- ◆ -None-



# MANAGEMENT STRUCTURE

Indorama Ventures Public Company Limited



## The Board of Directors

| Name                             | Position                                                                                                                                                                                              | Appointment Date of Directorship |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| 1. Mr. Sri Prakash Lohia         | Chairman of the Board                                                                                                                                                                                 | September 19, 2009               |
| 2. Mr. Alope Lohia               | Vice Chairman of the Board, Chairman of the Sustainability and Risk Management Committee, Member of the Nomination, Compensation and Corporate Governance Committee and Group Chief Executive Officer | September 19, 2009               |
| 3. Mrs. Suchitra Lohia           | Director and Chairperson of Corporate Social Responsibility Committee                                                                                                                                 | September 19, 2009               |
| 4. Mr. Amit Lohia                | Director                                                                                                                                                                                              | September 19, 2009               |
| 5. Mr. Dilip Kumar Agarwal       | Director, Member of the Sustainability and Risk Management Committee and Chief Executive Officer of Feedstock and PET Business                                                                        | April 27, 2010                   |
| 6. Mr. Udey Paul Singh Gill      | Director, Member of the Sustainability and Risk Management Committee and President of Polyester Business                                                                                              | April 27, 2011                   |
| 7. Mr. Rathian Srimongkol        | Independent Director, Vice Chairman of the Board, Chairman of the Audit Committee and Member of the Sustainability and Risk Management Committee                                                      | September 19, 2009               |
| 8. Mr. William Ellwood Heinecke  | Independent Director, Chairman of the Nomination, Compensation and Corporate Governance                                                                                                               | September 19, 2009               |
| 9. Mr. Maris Samaram             | Independent Director, Member of the Audit Committee and Member of the Sustainability and Risk Management Committee                                                                                    | April 27, 2010                   |
| 10. Dr. Siri Ganjarerndee        | Independent Director, Member of the Audit Committee and Member of the Nomination, Compensation and Corporate Governance Committee                                                                     | April 27, 2010                   |
| 11. Mr. Kanit Si                 | Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee                                                                                                    | April 27, 2010                   |
| 12. Mr. Russell Leighton Kekuewa | Independent Director and Member of the Sustainability and Risk Management Committee                                                                                                                   | October 20, 2014                 |
| 13. Mr. Chakramon Phasukavanich* | Independent Director                                                                                                                                                                                  | November 13, 2015                |
| 14. Mr. Sanjay Ahuja**           | Director                                                                                                                                                                                              | November 13, 2015                |

\* Mr. Chakramon Phasukavanich was appointed as Independent Director in place of Mr. Apisak Tantivorawong on November 13, 2015

\*\* Mr. Sanjay Ahuja was appointed as Director in place of Mr. Sashi Prakash Khaitan on November 13, 2015

### The Authorized Directors

The Authorized Directors who sign on behalf of the Company are any two of Mr. Alope Lohia, Mrs. Suchitra Lohia, Mr. Dilip Kumar Agarwal and Mr. Sanjay Ahuja, who jointly sign with the Company's seal affixed.

### Composition of the Board of Directors

There are five executive directors, [1] Mr. Alope Lohia, [2] Mrs. Suchitra Lohia, [3] Mr. Dilip Kumar Agarwal [4] Mr. Udey Paul Singh Gill and [5] Mr. Sanjay Ahuja

There are 7 independent directors, [1] Mr. Rathian Srimongkol, [2] Mr. William Ellwood Heinecke, [3] Mr. Maris Samaram, [4] Dr. Siri Ganjarerndee, [5] Mr. Kanit Si, [6] Mr. Russell Leighton Kekuewa and [7] Mr. Chakramon Phasukavanich and there are 2 non-executive directors, [1] Mr. Sri Prakash Lohia and [2] Mr. Amit Lohia

### Roles, Duties and Responsibilities of the Board

Please see the details under the topic of "Corporate Governance Report"

### Sub-Committees

Indorama Ventures Public Company Limited consists of 3 sub-committees, namely, the Audit Committee, the Nomination, Compensation and Corporate Governance Committee and the Sustainability and Risk Management Committee. The details of each sub-committee are provided under the topic of "Corporate Governance Report".

## Board Meetings

| Meetings in 2015                 |                                 |                              |                                                                          |                                                           |                                   |     |
|----------------------------------|---------------------------------|------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------|-----|
| Name                             | Board of Directors<br>(6 times) | Audit Committee<br>(6 times) | Nomination, Compensation and Corporate Governance Committee<br>(3 times) | Sustainability and Risk Management Committee<br>(2 times) | Independent Directors<br>(1 time) | AGM |
| 1. Mr. Sri Prakash Lohia         | 4/6                             | -                            | -                                                                        | -                                                         | -                                 | 1/1 |
| 2. Mr. Alope Lohia               | 6/6                             | -                            | 3/3                                                                      | 2/2                                                       | -                                 | 1/1 |
| 3. Mrs. Suchitra Lohia           | 6/6                             | -                            | -                                                                        | -                                                         | -                                 | 1/1 |
| 4. Mr. Amit Lohia                | 3/6                             | -                            | -                                                                        | -                                                         | -                                 | 1/1 |
| 5. Mr. Dilip Kumar Agarwal       | 6/6                             | -                            | -                                                                        | 2/2                                                       | -                                 | 1/1 |
| 6. Mr. Udey Paul Singh Gill      | 5/6                             | -                            | -                                                                        | 2/2                                                       | -                                 | 1/1 |
| 7. Mr. Rathian Srimongkol        | 6/6                             | 6/6                          | -                                                                        | 2/2                                                       | 1/1                               | 1/1 |
| 8. Mr. William Ellwood Heinecke  | 6/6                             | -                            | 3/3                                                                      | -                                                         | 1/1                               | 1/1 |
| 9. Mr. Maris Samaram             | 6/6                             | 6/6                          | -                                                                        | 2/2                                                       | 1/1                               | 1/1 |
| 10. Dr. Siri Ganjarerndee        | 5/6                             | 6/6                          | 3/3                                                                      | -                                                         | 1/1                               | 1/1 |
| 11. Mr. Kanit Si                 | 6/6                             | -                            | 3/3                                                                      | -                                                         | 1/1                               | 1/1 |
| 12. Mr. Russell Leighton Kekuewa | 6/6                             | -                            | -                                                                        | 2/2                                                       | 1/1                               | 1/1 |
| 13. Mr. Chakramon Phasukavanich* | -                               | -                            | -                                                                        | -                                                         | -                                 | -   |
| 14. Mr. Sanjay Ahuja*            | -                               | -                            | -                                                                        | -                                                         | -                                 | -   |

**Remarks:** \* Mr. Chakramon Phasukavanich and Mr. Sanjay Ahuja were appointed as IVL Directors on 13 November 2015

## Executives

As of December 31, 2015, IVL's executives are:

| Name                         | Position                                                 |
|------------------------------|----------------------------------------------------------|
| 1. Mr. Alope Lohia           | Group Chief Executive Officer                            |
| 2. Mrs. Suchitra Lohia       | Chairperson of Corporate Social Responsibility Committee |
| 3. Mr. Dilip Kumar Agarwal   | Chief Executive Officer of Feed Stock and PET Business   |
| 4. Mr. Sashi Prakash Khaitan | President of Wool Business                               |
| 5. Mr. Udey Paul Singh Gill  | President of Polyester Business                          |
| 6. Mr. Sunil Fotedar         | President of PTA Business                                |
| 7. Mr. Satyanarayan Mohta    | President of EG/EO Business                              |
| 8. Mr. Sanjay Ahuja          | Head of Finance                                          |
| 9. Mr. Manoj Sharma          | Head of Account                                          |

## The Company Secretary

The Board of Directors of the Company has appointed Mr. Souvik Roy Chowdhury as the Company Secretary effective on February 15, 2010.

### Education

- Chartered Accountant, The Institute of Chartered Accountants of India
- Chartered Institute of Management Accountants London - Intermediate
- Bachelor of Commerce, University of Calcutta, India

### Working Experience

- 2010 - Present : Indorama Ventures PCL

### Duties and Responsibilities of the Company Secretary

The Company Secretary must perform the duties as prescribed in Section 89/15 and Section 89/16 of Securities and Exchange Act (No.4) B.E.2551, effective August 31, 2008 with responsibility, carefulness and honesty and must comply with the laws, objectives, Articles of Association, resolution of the board of Directors as well as resolution of Shareholders. The duties of Company Secretary prescribed by the law are as follows:

1. Preparing and keeping the following documents
  - a. Register of Directors
  - b. Notice of Board of Directors Meeting, Minutes of Board of Directors Meeting and annual report
  - c. Notice of the Shareholders Meeting and Minutes of Shareholders Meeting
2. Keeping reports of interest filed by Directors and Executives and present reports of interest in Section 89/14 to the Chairman of the Board and Chairman of Audit Committee for acknowledge within 7 days from the date received by the Company;

3. Performing any other acts as determined by the Capital Market Supervisory Board

In addition, the Company Secretary has other duties as assigned by the Company as follows:

- Providing basic advice pertaining to the securities laws and regulations and Articles of Association as well as monitoring compliance on a regular basis and reporting any significant changes to the Board.
- Arranging shareholders' meetings and board of directors' meetings in accordance with the laws, regulations and related best practices.
- Preparing minutes of the shareholders' meetings and the board of directors' meetings, and monitoring subsequent compliance with the resolutions of those meetings.
- Preparing and keeping registrations of directors, annual reports, notice of the shareholders' meetings, notice of board of directors' meetings, minutes of the shareholders' meeting and the board of directors' meetings.
- Keeping reports of interest filed by directors and executives, and presenting such reports as specified by the relevant laws.
- Ensuring statutory compliances across all subsidiaries.
- Ensuring that corporate information disclosures to regulatory agencies are in accordance with the laws and regulations.
- Timely reporting of all necessary disclosures to SEC and SET.
- Assisting in board activities including provide preliminary advice and recommendations pertaining to legal, regulatory, corporate governance issues and best practices related to the board and committees.

## Remuneration of Directors and Management

Please see the details in the topic of "Corporate Governance Report."

## Personnel

Please see the details in the topic: "Corporate Governance Report" under "People" Section of this report.



As of  
December  
31, 2015

# MANAGEMENT STRUCTURE

# MAJOR SHAREHOLDERS

## Indorama Ventures Public Company Limited

(As of December 31, 2015)

| No. | Shareholders                                                                    | No. of Shares | %     |
|-----|---------------------------------------------------------------------------------|---------------|-------|
| 1.  | Indorama Resources Ltd. <sup>1</sup>                                            | 3,066,038,376 | 63.69 |
| 2.  | Thai NVDR Ltd.                                                                  | 239,535,487   | 4.98  |
| 3.  | Bangkok Bank PCL. <sup>2</sup>                                                  | 230,180,944   | 4.78  |
| 4.  | Canopus International Limited <sup>1</sup>                                      | 130,000,000   | 2.70  |
| 5.  | Mr. Thaweechat Chulangkul <sup>3</sup>                                          | 100,062,100   | 2.08  |
| 6.  | GIC Private Limited                                                             | 41,584,900    | 0.86  |
| 7.  | Government Pension Fund (EQ-TH)                                                 | 37,227,200    | 0.77  |
| 8.  | State Street Bank Europe Limited                                                | 29,496,303    | 0.61  |
| 9.  | HSBC (Singapore) Nominees PTE Ltd.                                              | 28,322,403    | 0.59  |
| 10. | The Hongkong and Shanghai Banking Corporation Limited, Fund Services Department | 27,345,471    | 0.57  |
| 11. | Chase Nominees Limited                                                          | 25,506,273    | 0.53  |

|                 |                                                                                                                                                                                                                                                                                                           |                      |          |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------|
| <b>Remarks:</b> | <sup>1</sup> Group of Lohia Family                                                                                                                                                                                                                                                                        | <b>No. of Shares</b> | <b>%</b> |
|                 | • Indorama Resources Ltd.*                                                                                                                                                                                                                                                                                | 3,066,038,376        | 63.69    |
|                 | • Canopus International Limited**                                                                                                                                                                                                                                                                         | 130,000,000          | 2.70     |
|                 | • Mr. Alope Lohia                                                                                                                                                                                                                                                                                         | 10                   | 0.00     |
|                 | • Mr. Anuj Lohia                                                                                                                                                                                                                                                                                          | 10                   | 0.00     |
|                 | * Owned by Canopus International Limited 99.98%                                                                                                                                                                                                                                                           |                      |          |
|                 | ** Mr. Alope Lohia and his immediate family have voting rights of up to 76% and an equity interest of up to 49% in Canopus International Limited while Mr. Sri Prakash Lohia and his immediate family have voting rights of up to 24%, and equity interest of up to 51%, in Canopus International Limited |                      |          |
|                 | <sup>2</sup> Group of Bangkok Bank                                                                                                                                                                                                                                                                        | <b>No. of Shares</b> | <b>%</b> |
|                 | • Bangkok Bank PCL.                                                                                                                                                                                                                                                                                       | 230,180,944          | 4.78     |
|                 | • Bangkok Insurance PCL.                                                                                                                                                                                                                                                                                  | 449,944              | 0.01     |
|                 | <sup>3</sup> Group of Chulangkul Family                                                                                                                                                                                                                                                                   | <b>No. of Shares</b> | <b>%</b> |
|                 | • Mr. Thaweechat Chulangkul                                                                                                                                                                                                                                                                               | 100,062,100          | 2.08     |
|                 | • Mr. Natthaphol Chulangkul                                                                                                                                                                                                                                                                               | 3,000,000            | 0.06     |



Major Shareholders

# IVL GLOBAL HIGHLIGHTS AWARDS 2015

## Global Awards & Recognition:

- ① Thailand's Best Deal 2014 in Global Capital Asia/Asia Money Awards 2014 for its Bt15 bn perpetual debentures, the largest ever Corporate Perpetual Debentures in Thailand.
- ② The Asia's Most Admired Brand 2014 – 2015 given to Indorama Ventures PCL from World Consulting and Research Corporations (WCRC).
- ③ The Asian Business Leader 2014 given to Mr. Alope Lohia, GCEO of Indorama Ventures PCL by World Consulting and Research Corporation (WCRC).
- ④ Top 50 Publicly Listed Companies in ASEAN based on ASEAN Corporate Governance Scorecard given by the Philippine Securities and Exchange Commission (SEC)
- ⑤ Indorama Ventures Adana PET named one of the top 500 companies in Turkey.
- ⑥ Thailand Sustainability Investment 2015 given by the Stock Exchange of Thailand (SET). Among other public companies in the same category, companies with a market value between 30,000 – 100,000 million baht. This prize is granted to the best company that passes the evaluating criteria based on environment, social and governance indicators (ESG).
- ⑦ A prize at the Sustainability Report Awards 2015 given to Indorama Ventures Pcl from the Stock Exchange of Thailand (SET). This award is granted to eligible companies who meet the criteria of the Ceres-ACCA Sustainability Report Awards.
- ⑧ Thaipat Institute awarded the company the ESG 100 Certificate for outstanding sustainability performance on the basis of Environmental, Social and Governance (ESG).



# 2015 AWARDS

- Certificate of Excellence in Investor Relations by IR Magazine at the annual South East Asia Awards in Singapore.



- Stock Exchange of Thailand's Outstanding Investor Relations Award for companies with a market capitalization of between Baht 30,000-100,000 million at the SET Awards 2015.



- Two prizes from the Asset Corporate Awards 2015 in Hong Kong. The company won a Gold Award for Excellence in Governance, CSR and Investor Relations. The IR team also won the Best Investor Relations Team Award.



- Bronze Asia-Pacific Stevie Award 2015 in the category Company of the Year – Diversified Services and Manufacturing given to Indorama Ventures Pcl.

- International Textile Firm of the Year 2014, in the category "Fibre Producer", by the World Textile Awards given to PT. Indorama Ventures Indonesia at Headquartered in London, Left Bank Partnership organizes the World Textile Awards.



- AlphaPet recognized by FM global for taking the longest strides in Risk Management improvement.



- "ICT Excellence Award 2014" in the category of "Business Enabler" for Simplified Business Management and IT Resource Management Systems by Thailand Management Association (TMA) in association with National Electronics and Computer Technology Center (NECTEC), Thailand's software industry (Software Park Thailand) and the College of Innovation, Thammasart University (CITU).

- A Gold and Silver Illumination given to the representative team from Polyester Industries [Rayong] "7 Karat" and Polyester Industries [Nakhon Pathom] "Poly" who joined the QCC Presentation at the national level at Gyeongsangnam-do, Changwon-si, Korea





#### The National Outstanding Industrial Establishment of Labor Relations and Welfare Award 2015.

- Indorama Polyester Industries Pcl. (Rayong) for the 11<sup>th</sup> consecutive year (2005-2015)
- Indorama Holdings Limited won for the tenth consecutive year (2006-2015).
- Indorama Polyester Industries Pcl. (Nakhon Pathom) won for the sixth consecutive year (2010-2015)
- Indorama Petrochem Limited won for the fifth consecutive year (2011-2015).

#### Outstanding Establishment on Safety Occupational Health and Environment Award, National Level

- Indorama Polyester Industries Public Co., Ltd. (Nakhon Pathom) for the 6<sup>th</sup> consecutive year (2010-2015).
- Indorama Petrochem Limited for the fifth consecutive years (2011-2015).



- PepsiCo presented Indorama Ventures Public Company Limited with a certificate recognizing it as a strategic supply partner.

- A "Certificate of Appreciation given to PT. Indorama Petrochemicals as Top 50 PLN Customers, PLN organised a "Malam Apresiasi 50 Pelanggan Terbesar".



- Eco Factory Certification given to Indorama Petrochem Limited TPT Petrochemicals Pcl and Indorama Polyester Industries (Rayong) by The Industrial Environment Institute, the Federation of Thai Industries (FTI).



#### CSR-DIW Continuous Awards 2015

- Indorama Polyester Industries (Nakhon Pathom) Pcl for five consecutive years. (2011-2015).
- AsiaPet (Thailand) Limited for five consecutive years. (2011-2015).
- Indorama Polymers Pcl, Petform (Thailand) Limited for five consecutive years. (2011-2015).
- Indorama Petrochem Limited for five consecutive years. (2011-2015).
- TPT Petrochemicals Pcl received five consecutive years and Good Community Relation Award under CSR-DIW Continuous Project Award 2015 (2011-2015).
- Indorama Polyester Industries (Rayong) Pcl received for three years. (2013-2015).



- Indorama Holdings Limited received the "Good Governance Environment Award 2015



# STRATEGY AND OVERVIEW OF BUSINESS OPERATIONS

## Group Strategy

Our objective is to strengthen our position as a market leader in the polyester value chain segment of intermediate petrochemicals in terms of scale, integration and differentiation as well as profitability and return on investment, supported by a focus on delivering long-term, superior shareholder value.

*Indorama Venture PTA Montreal LP in Canada*

Indorama Ventures is a major global intermediate petrochemicals producer and one of the largest vertically integrated polyester value chain producers in the world, serving world-class customers in diversified end-use markets including food, beverages, personal and home care, health care, automotive, textile and industrial uses. With more than 14,000 employees, 59 sites<sup>1</sup> in 20 countries across 4 continents, we supply our products to customers in nearly every part of the world.

It is estimated that in 2030, the world population will reach 8.4 billion people. This population growth surge will present global challenges, but we see these as opportunities for demand across all our markets. With the fast-paced evolution of technologies, innovation will also play a key role in the chemical industry to create a market that is sufficiently sustainable to balance the environment, resources, climate, food and nutrition, and quality of life. As the fastest growing polymer in the world at a rate of 6.5% annually, polyester is the future.

## Strategic Principles

**We strive to provide our customer with the best value proposition.** We believe we exist because of our customers. We focus our activities to achieve customer satisfaction and loyalty for a long lasting relationship.

**We aim to form the best team in the industry.** We believe that people are our core strength, be it our employees, suppliers, customers, shareholders or other stakeholders. Their involvement and satisfaction are the key drivers for our success and growth.

**We strive to become the world's most sustainable producer.** We believe that business going forward will be sustainability-led across all aspects of our company, from sourcing raw materials to production process efficiencies. To us, therefore, sustainability is not a public relations strategy, but it is the foundation in moving towards profitable growth.



<sup>1</sup>As of Dec 2015, we have 59 sites (including our us gas cracker & India but excluding Spain's 3

## Strategic Levers

Our strategy has been designed to help us continue achieving our objectives as follows:

- Focused Growth and Investment
- Vertical integration business model
- Geographical Diversification
- Product Diversification
- Sustainability
- Cost efficiency and operational excellence and
- Financial prudence

### Focused Growth and Investment

Our growth and investment strategy is to build and enhance our existing market leadership position in each of the regions that we operate, as well as expand our geographical presence through organic growth and value-enhancing acquisitions in our industry.

We have an established a track record of implementing this strategy through Greenfield investments, brownfield expansions as well as via attractive acquisitions. Acquisitions are a main contributing factor for achieving our strategic targets. Indorama Ventures has strategic and financial acquisition criteria that are used to evaluate potential acquisition targets. We have strong track record of acquiring businesses and integrating them successfully into our organization.

### Vertical Integration Business Model

We expect vertical integration, either through asset ownership, co-located sites with owned assets or virtual integration through co-located sites with key raw material suppliers, to enhance our operational and logistical efficiency, cost competitiveness and raw material security. Integration through owned assets also enhances our ability to insulate ourselves from sector cyclicity and improve the quality, visibility, and predictability of earnings. Continuing

with our strategy we have invested into ethylene production through our 400kt pa Louisiana-based gas cracker which is under refurbishment after we acquired it in 2015. We expect a commercial restart by the end of 2017.

### Geographical Diversification

Diversifying our customer mix, both geographically and through end-use applications (for some business segments), is an important aspect for our continued success in the polyester value chain. We plan to continue to enhance our marketing efforts to geographically diversify our customer base for the product lines. Today, the Group sells its products in more than 100 countries and, through its localized manufacturing facilities in various regions, is able to serve its customers from close and convenient locations.

### Product Diversification

As a leading polyester value chain player, we intend to focus on the development of our research and development capabilities, either through our own facilities or through the establishment of key relationships with other industry players.

We work carefully alongside our customers to provide them with innovative ideas, expertise and support solutions for their specific requirement. Through this differentiation goal, we have significantly expanded our non-commodity or high value-added (HVA) portfolio.

As part of its product diversification strategy, the Group aims to focus its expansion into industries with HVA products. Such industries include automotive, personal care, packaging and specialties and industrial. In the automotive industry, the Group focuses on HVA products such as interior textiles, tires, airbags and seatbelts. In the personal care industry, the Group supplies high quality materials for end products such as flame retardant home textiles, diapers, wet wipes and other medical care products. The Group believes that these HVA businesses have strong market potential and high barriers to entry and will continue to leverage on its leading market positions in these HVA industries to further growth.



*HVA products in automotive industry : tire cord fabrics, seat belts, airbags and organo sheets.*



*Indorama Ventures Packaging (Myanmar) Limited in Myanmar*

## Sustainability

We believe that increase in our ability to use recycled materials and integrate such recycled materials within our standard processes will allow us to cater to changing customer objectives and proactively address environmental issues. In addition to recycling, we continue to promote our sustainability initiatives through the seven pillars of sustainability namely waste reduction, reducing resources, renewable energy, recycling, employee development, stakeholder engagement and local community development.

## Operational Excellence

Maintaining a low cost philosophy by continued focus on production cost efficiency, scale and technology efficiency, raw material efficiency and investment efficiency will help us maintain our industry cost position in the future. In our volume-driven commodity businesses, such as our PET, PTA and some commodity polyester fiber businesses, cost competitiveness is a key driver which differentiates industry leaders from others.

We emphasize the importance of operational excellence to bring synergies and facilitate best practice knowledge transfer across the global IVL footprint. Key focus areas include benchmarking conversion costs, optimizing the workforce, wastage reduction and recovery, and environment health and safety issues.

## Financial Prudence

We are committed to maintaining a continued emphasis on financial discipline and prudent investment decisions. We evaluate each potential investment on the basis of

stand-alone profitability and efficiency, in addition to its potential synergistic contribution within the overall organization. We strive to maintain an efficient capital structure as we grow to provide us sufficient flexibility in our operations and sufficient liquidity in our cash flow position to meet our covenants at all times.

## Changes and Important Developments

### Background of the Company

Indorama Ventures Public Company Limited, formerly known as Beacon Global Limited, was established on February 21, 2003, and re-named Indorama Ventures Public Company Limited on March 19, 2009. Indorama Ventures Public Company Limited is a holding company with investments in companies operating in the intermediate petrochemicals industry in Thailand and globally. These companies are manufacturers and suppliers of three key business segments, namely PET resin, fibers and yarns and feedstock comprising PTA, MEG and various Ethylene Oxide (EO) derivatives.



*Micro Polypet Private Limited in India*

## Background of the Business

### Beginning of Business in Thailand

We commenced business operations in 1994 with the incorporation of Indorama Holdings Ltd., which was the first worsted wool yarn producer in Thailand.

### Entry into the PET Business

The Group's PET business segment comprises primarily the manufacture and sale of PET, a plastic polymer resin primarily used for beverage containers and food packaging, as well as for the packaging of pharmaceuticals and household products as well as in industrial packaging applications. Moreover, the Group also manufactures High Value Added (HVA) products such as packaging for oxygen-sensitive foods and beverages. In 1995, we entered the petrochemical industry focusing on the polyester value chain business with the establishment of a PET resin facility in Thailand. Since then, each successive growth and addition has been committed to the polyester value chain. We have grown significantly to become a major global polyester value chain producer with a presence in three key business segments, PET resin, polyester fibers and yarns and Feedstock comprising PTA, MEG and various EO derivatives.

Our growth in the PET business has been achieved through greenfield investments, strategic acquisitions, and brownfield expansions. From 1995 to 2002, we grew our PET business by engaging in the downstream production of PET preforms, bottles and closures through a joint venture with Serm Suk Pcl, as well as through various expansion projects leading to increased capacities.



*Indorama Ventures Polymers (Rayong) PCL. in Thailand*

### Entry into the Fiber and yarns Business

The Group's fiber and yarns business segment comprises the manufacture and sale of a variety of polyester and other types of fibers and yarns (which are also used in the Group's HVA products, particularly in personal care, automotive and industrial applications). Polyester is one of the most widely used synthetic fibers in the world and is a versatile material with wide-ranging textile and industrial applications. Our development in the polyester business has been achieved through the acquisition of distressed assets and organic growth through debottlenecking and asset optimization. We entered the polyester business in 1997 through the acquisition of Indo Poly, a polyester fiber plant in Thailand. In 2008, we acquired Tuntex Thailand, the largest polyester fiber producer in Thailand. Both of our polyester facilities were acquired as distressed assets at a discount to their replacement cost and have been successfully turned around. In 2009, Indo Poly transferred all of its assets to, and all of its liabilities were assumed by Tuntex Thailand, which was subsequently re-named Indorama Polyester Industries.

### Backward Integration into Feedstock

The Group's feedstock business segment comprises the manufacture, production and sale of PTA, MEG, EO derivatives and by-products, which are raw materials

used in the production of the Group's polyester products. The Group's feedstock business segment supports its PET and polyester business segments and forms part of its strategy to vertically integrate its operations.

### Becoming Global Leader

#### Expansion of PET Business in US and Europe

We expanded our PET production footprint internationally into North America in 2003, with the acquisition of the StarPet facility, and into Europe in 2006, with the commencement of our Orion Global PET facility. The expansion made us the only PET resin producer with operations in the three largest consuming regions of Asia, Europe and North America. We have further expanded our manufacturing presence with the acquisition of two PET resin facilities from Eastman Chemical Company in Europe in 2008, and a Greenfield investment in the PET business with AlphaPet in North America in 2009. In the first half of 2011, IVL had completed major acquisitions of PET plants in China, Indonesia, Mexico, Poland and USA, leading the company to become the world's largest PET producer and the largest player in Europe. We also expanded our PET production footprint to Africa by implementing the new solid state polymerization SSP plant in Nigeria, which started commercial operations in 2012. In 2012, we also acquired the PET resin assets of PT Polypet Karyapersada which is located at Cilegon, Indonesia. In 2015, IVL has expanded its business into



*Performance Fibers (Kaiping) Company Limited in China*

the Middle East following the acquisition of two PET plants in Turkey, one in the southern region and one in northern region of Turkey. In May 2015, the Group also acquired a stake in Bangkok Polyester Public Company Limited, a PET producer in Thailand which further consolidated PET production in the local market. Recently, we acquired PET business of Micro Polypet Private Limited (MicroPet) and its two subsidiaries Sanchit Polymers Private Limited and Eternity Infrabuild Private Limited in India.

### **Expansion of Polyester Business Globally**

In the first half of 2011, we expanded our polyester production footprint internationally into Indonesia and USA. Later in November 2011, we acquired the PET and Polyester fibers recycling businesses of Wellman International in Europe, which comprising of three production facilities in the Republic of Ireland, the Netherlands, and France. In January 2012, we acquired 100% of FiberVisions Holdings LLC, a global manufacturer of specialty mono- and bi-component fibers based in Duluth, Georgia, USA.

### **Backward Integration into MEG**

In 2012, we took another step upward to feedstock integration by the acquisition of Old World Industries I, Ltd. and Old World Transportation, Ltd. in the USA, which is the largest single EO/EG production facility in the U.S. Mono Ethylene Glycol (MEG) is one of our key feedstocks together with Purified Terephthalic Acid (PTA) in the manufacture of Polyethylene Terephthalate (PET) and Polyester Fibers and Yarns, both downstream products of IVL. Recently, the acquisition from Compañía Española de Petróleos (CEPSA) which is PTA business in Canada and we also acquired 100% of Indorama Ventures Olefins Holding LLC, an old ethylene cracker in USA in September 2015 (under refurbishment).

### **Focus on Business Differentiation**

#### **Advancing towards High Value Added (HVA) Segments**

As we grew to become an industry leader so did the importance of working more closely with our global customers in providing them with innovative and specialized solutions to meet their evolving needs. IVL has invested laterally into high value added products in PET, Polyester fibers and yarns,

Polypropylene fibers and yarns, Nylon fibers and yarns and Purified Ethylene Oxide PEO. The expansion into HVA products has helped mitigate the weakness that our commodity sector has seen over the past two years allowing us to maintain healthy margins. We have made significant headway on the HVA front as a market leader and innovator of numerous products. Our specialty range has enhanced the brand value of IVL making the company a total global solutions provider. In 2015, our HVA portfolio represented 21% of production and 48% of consolidated core EBITDA. Core EBITDA is calculated as book EBITDA less inventory gains or losses less extraordinary items if any.

### **Recycling Business**

We entered into the recycling space in 2011 with the acquisition of Wellman International in Europe. At the beginning of 2014, we extended the know-how we obtained from Wellman International and commenced production of our recycled PET and fiber facility in Nakhon Pathom, Thailand. We expected to further leverage on Wellman's bottle to flake technology on a global scale. We have also integrated three production sites in USA and Mexico with recycled PET and our objective is to continue to increase the use of recycled PET in our operations.

## Success in Raising Capital

### Our Initial Public Offering

Indorama Ventures Public Company Limited became a public company on September 25, 2009. As of December 31, 2014, the Company has registered capital of Bt 5,666,010,499 with paid-up capital of Bt 4,814,257,245 totaling 4,814,257,245 ordinary shares at par value of Bt 1 per share. The major shareholder of the Company is Indorama Resources Limited, owned 99.99% by Canopus International. (Canopus International is owned by Mr. Alope Lohia and his immediate family and Mr. Sri Prakash Lohia and his immediate family). Mr. Alope Lohia and his immediate family hold 49% with voting rights over 76% of total votes of Canopus International while Mr. Sri Prakash Lohia and his immediate family hold 51% with voting rights over 24.0% of total votes of Canopus International.

In January, 2010, Indorama Ventures Public Company Limited completed initial public offering of 400,000,000 ordinary shares at an offering price of Baht 10.20 per ordinary share. The total amount raised in cash from initial public offering of shares Baht 4,080 million. Simultaneously, the minority shareholders of Indorama Polymers Public Company

Limited, subsidiary of IVL listed on the Stock Exchange of Thailand were offered under an exchange offer 582,727,137 ordinary shares of Indorama Ventures Public Company Limited. The ordinary shares of Indorama Ventures Public Company Limited were listed and commenced trading on the Stock Exchange of Thailand (the SET) on February 5, 2010. The ticker symbol is IVL.

Indorama Ventures, during the course of 2010 became a member of the major indices, SET 50 Index, FTSE SET Large Cap Index and MSCI.

### Rights Offering

In November, 2010, the Board of Directors passed a resolution to increase the authorized share capital from Baht 4,334,271,047 to Baht 4,815,856,719 and reserve the increase in authorized share capital of Baht 481,585,672 for the exercise of Transferable Subscription Rights (TSR). The Board approved a rights issue of TSRs to existing shareholders at the ratio of one TSR for every nine existing ordinary shares held of IVL. The conversion ratio was 1:1. One TSR to one ordinary share and the exercise price of the TSR to ordinary shares is Baht 36 per ordinary share. On December 17, 2010, at

the extraordinary general meeting of shareholders (EGM) the shareholders approved the issue, allocation and the terms and conditions of the TSR. On February 24, 2011 the subscription of TSRs was completed with 99.67% of TSRs being exercised into shares. A total of 479,986,198 new shares started trading on the SET on March 3, 2011. The total amount raised in cash from this rights issue is Baht 17,280 million.

### Tender Offer

Our PET business was listed on the SET as Indorama Polymers Public Company Limited (IRP) in 2005. On December 24, 2009, IVL offered to purchase up to 100% of IRP through a tender offer whereby IRP shareholders (other than IVL and its subsidiaries) were offered IVL shares in exchange for IRP shares. The said tender offer was completed on February 1, 2010 which resulted in IVL holding directly and indirectly (through its subsidiary Indorama Holdings (Thailand) Limited) around 99.08% of the issued and paid-up capital of IRP. IRP shares were delisted from the SET on February 5, 2010 onwards.



*Indorama Ventures Corlu PET Sanayi A.Ş. in Turkey*

## Changes and Important Developments

| Year                  | Event                                                                                                                                                                                                                                                                                                                                                                         | Location               | Business              |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------|
| 1994                  | Incorporation of Indorama Holdings Ltd.                                                                                                                                                                                                                                                                                                                                       | Thailand               | Wool                  |
| 1995                  | Establishment of Indorama Polymers PCL PET resin plant in Lopburi, Thailand.                                                                                                                                                                                                                                                                                                  | Thailand               | PET                   |
| 1996                  | Establishment of Petform (Thailand) Ltd., a joint venture with Serm Suk PCL                                                                                                                                                                                                                                                                                                   | Thailand               | PET                   |
| 2002                  | Completion of various expansion projects leading to increased capacities in Thailand                                                                                                                                                                                                                                                                                          | Thailand               | PET / Polyester       |
| 2003                  | Incorporation of Beacon Global Limited<br>(subsequently re-named Indorama Ventures PCL in 2008)                                                                                                                                                                                                                                                                               | Thailand               | Holding Company       |
| 2003                  | First major international expansion with the acquisition of StarPet PET plant in Asheboro, North Carolina                                                                                                                                                                                                                                                                     | USA                    | PET                   |
| 2006                  | Acquisition of a 94.57% interest in Indorama Holdings Ltd. from an entity controlled by Mr. Aloke Lohia.                                                                                                                                                                                                                                                                      | Thailand               | Wool/ Holding Company |
| 2006                  | Expansion into Europe with the establishment of Orion Global PET plant in Klaipeda, Lithuania                                                                                                                                                                                                                                                                                 | Lithuania              | PET                   |
| 2007                  | Completion of various expansion projects leading to increased capacities                                                                                                                                                                                                                                                                                                      | USA / Thailand         | PET / Polyester       |
| March 2008            | <ul style="list-style-type: none"> <li>UAB Indorama Polymers Europe, IRP Rotterdam and IRP Workington acquired the net assets (property, plant and equipment and working capital) and the operations of two PET production facilities located in the Netherlands and the United Kingdom, previously owned and operated by subsidiaries of Eastman Chemical Company</li> </ul> | The Netherlands/<br>UK | PET                   |
|                       | <ul style="list-style-type: none"> <li>UAB Indorama Holdings Ltd. Europe and IRH Rotterdam also acquired the net assets (property, plant and equipment and working capital) and the operations of a PTA production facility located in the Netherlands, previously owned and operated by subsidiary of Eastman Chemical Company</li> </ul>                                    | The Netherlands        | PTA                   |
| June 2008             | Indorama Holdings Ltd. sold its shares representing 89.71% of Indo-Rama Chemicals (Thailand) Ltd., to an entity controlled by Mr. Aloke Lohia and his immediate family                                                                                                                                                                                                        | Thailand               | Chemicals             |
| August - October 2008 | The Company acquired a 50.56% equity interest in TPT Petrochemicals PCL from various parties.                                                                                                                                                                                                                                                                                 | Thailand               | PTA                   |
| September 2008        | <ul style="list-style-type: none"> <li>The Company acquired a 65.81% equity interest in Tuntex (Thailand) pursuant to Tuntex (Thailand)'s bankruptcy rehabilitation plan.</li> </ul>                                                                                                                                                                                          | Thailand               | Polyester             |
|                       | <ul style="list-style-type: none"> <li>The Company acquired an additional 44.38% of the outstanding shares of Indo Poly (Thailand) Ltd. from Indorama International Finance PCL. As a result of the acquisition, the Company increased our direct and indirect shareholdings of Indo Poly (Thailand) Ltd. to 98.85%.</li> </ul>                                               | Thailand               | Polyester             |

| Year                     | Event                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Location | Business  |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|
| September - October 2008 | The Company acquired a 100% equity interest in Indorama Petrochem Ltd. from various parties                                                                                                                                                                                                                                                                                                                                                             | Thailand | PTA       |
| October 2008             | The Company acquired an additional 3.94% of the outstanding shares of Indorama Polymers PCL from DEG, thereby increasing our direct and indirect holdings of Indorama Polymers PCL to 69.29%.                                                                                                                                                                                                                                                           | Thailand | PET       |
| December 2008            | The Company acquired an additional 31.20% of the outstanding shares of Tuntex (Thailand) PCL (re-named Indorama Polyester Industries PCL)                                                                                                                                                                                                                                                                                                               | Thailand | Polyester |
| July 2009                | <ul style="list-style-type: none"> <li>Indo Poly (Thailand) Ltd. transferred all of its assets and business to Indorama Polyester Industries PCL. (In August, 2009, Indo Poly (Thailand) Ltd. commenced action to liquidate itself, which consummated by August, 2011)</li> </ul>                                                                                                                                                                       | Thailand | Polyester |
|                          | <ul style="list-style-type: none"> <li>The Company acquired an additional 2.08% of the outstanding shares of TPT Petrochemicals PCL from International Finance PCL, thereby increasing our direct and indirect holdings of TPT Petrochemicals PCL to 52.64%</li> </ul>                                                                                                                                                                                  | Thailand | PTA       |
| August 2009              | The Company and Indorama Holdings Ltd. jointly made a tender offer jointly to purchase all outstanding shares of Indorama Polyester Industries PCL that we did not own. After the tender offer, the Company and Indorama Holdings Ltd. increased our shareholdings of Indorama Polyester Industries PCL to 99.55% and delisted Indorama Polyester Industries PCL from the SET effective on November 9, 2009                                             | Thailand | Polyester |
| October 2009             | Startup of the AlphaPet PET plant in Decatur, Alabama                                                                                                                                                                                                                                                                                                                                                                                                   | USA      | PET       |
| November 2009            | TPT Utilities Co., Ltd. transferred all of its assets to TPT Petrochemicals PCL and subsequently completed the liquidation on October 29, 2011                                                                                                                                                                                                                                                                                                          | Thailand | Others    |
| December 2009            | <ul style="list-style-type: none"> <li>The Company acquired an additional 1.96% of the outstanding shares of TPT Petrochemicals PCL from International Finance PCL, thereby increasing our direct and indirect holdings of TPT Petrochemicals PCL to 54.60%.</li> </ul>                                                                                                                                                                                 | Thailand | PTA       |
| December 2009            | <ul style="list-style-type: none"> <li>On December 24, 2009 Indorama Ventures Public Company Limited "IVL" announced a tender offer to purchase up to 100% of shares in Indorama Polymers Public Company Limited "IRP" with an intention to delist the shares of IRP from the Stock Exchange of Thailand "SET." 424,480,300 shares of IRP offered to be purchased through an exchange offer whereby IRP shareholder will receive IVL shares.</li> </ul> | Thailand | PET       |
| February 2010            | Listed and start trading of shares of IVL on the Stock Exchange of Thailand after completion of initial public offering of 400 million new shares for an initial offering price of Baht 10.20 and completion of exchange offer to minority shareholders of Indorama Polymers Public Company Limited "IRP." Simultaneously delisting of IRP shares from the SET on the first day trading of IVL.                                                         | Thailand | Corporate |

| Year          | Event                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Location        | Business        |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| July 2010     | Acquisition of 50% equity stake in a joint venture company UAB Ottana Polimeri Europe for the purpose of acquisition of an integrated PTA and PET plant in Ottana, Italy from Equipolymers. The joint venture partner is PCH Holdings which holds the balance 50% and is in the business of power and utilities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Italy           | PTA and PET     |
| August 2010   | <ul style="list-style-type: none"> <li>Announced setting-up of a Greenfield project for PET polymers in Port Harcourt, Nigeria with an installed capacity of 75,000 tpa.</li> <li>Announced capacity expansion by 190,000 tpa for PET at existing site in Rotterdam, Netherlands by setting-up a new line of PET production. Europe is a net importer of PET resins and the expansion has helped to substitute imports and the demand growth. In addition, the PET expansion will result in full captive consumption of PTA produced at site and cost benefits from economies of scale.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Nigeria         | PET             |
|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | The Netherlands | PET             |
| October 2010  | Acquisition of additional shares in TPT Petrochemicals PCL from Tuntex Taiwan and other shareholders to increase equity stake from 54.60% to 99.96%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Thailand        | PTA             |
| November 2010 | <ul style="list-style-type: none"> <li>Announced approval of acquisition of business to make PET resins and Polyester polymers for fibers &amp; yarns in Kaiping City, Guangdong Province, China, from Guangdong Shinda UHMWPE Company Limited. The total installed capacity of the plant is 406,000 tpa. The acquisition allows to expand the global footprint and to enter the high growth market in China. The acquisition was completed in January, 2011.</li> <li>Announced the signing of a definitive agreement with INVISTA S.a.r.l. to acquire their PET resins and Polyester staple business located in Spartanburg, South Carolina, USA and Queretaro, Mexico. The total installed capacity at Spartanburg site is 470,000 tpa and at Queretaro site is 535,000 tpa. The acquisition will allow building on its expanding global platform making the company world's largest PET producer and give access to the new markets of Latin and Central America. The acquisitions completed in March, 2011.</li> <li>Board of Directors Meeting No. 8/2010 dated 10 November 2010 approved the issuance of 481,585,672 free Transferable Subscription Rights (TSRs) to the company's existing shareholders and that the allocation ratio will be 9 existing shares to 1 new TSR. The conversion ratio of 1 TSR will entitle the TSR holder to purchase 1 newly issued share of the Company. The exercise price of TSR into ordinary shares to be determined prior to extraordinary general meeting of shareholders to approve the rights issue.</li> </ul> | China           | PET             |
|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | USA / Mexico    | PET / Polyester |
|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Thailand        | Corporate       |

| Year          | Event                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Location           | Business        |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------|
| December 2010 | <ul style="list-style-type: none"> <li>Announced the signing of a definitive agreement with SK Chemicals and SK Syntec to acquire their Polyester Filament yarns and PET resins business in Indonesia and PET resins business in Poland. The total installed capacity in Indonesia is 196,000 tpa and in Poland is 140,000 tpa. The acquisition will allow building on expanding global platform and reinforcing our focus on the polyester value chain. It gives access to the growth markets of Indonesia and Poland. The acquisitions completed in March, 2011.</li> </ul> | Indonesia / Poland | Polyester / PET |
|               | <ul style="list-style-type: none"> <li>Board of Directors Meeting No. 9/2010 dated 16 December 2010 approved the exercise price at Baht 36 per share to subscribe for newly issued shares by each TSR holder</li> </ul>                                                                                                                                                                                                                                                                                                                                                       | Thailand           | Corporate       |
|               | <ul style="list-style-type: none"> <li>Extraordinary General Meeting of Shareholders No. 1/2011 approved the resolution for rights issue and allocate to existing shareholders through issue of TSRs, at the ratio of 9 existing shares to 1 TSR.</li> </ul>                                                                                                                                                                                                                                                                                                                  | Thailand           | Corporate       |
| March 2011    | <ul style="list-style-type: none"> <li>Listed and start trading of new 479,986,198 IVL shares on the Stock Exchange of Thailand after completion of the TSRs subscription at the exercise price of Baht 36 per share</li> </ul>                                                                                                                                                                                                                                                                                                                                               | Thailand           | Corporate       |
|               | <ul style="list-style-type: none"> <li>Announced capacity expansion by 300,000 tpa for PET at existing site in Purwakarta, Indonesia.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                              | Indonesia          | PET             |
| April 2011    | Announced a Brownfield expansion of PET polymers production with a capacity 220,000 tonnes per annum at the existing site in Poland.                                                                                                                                                                                                                                                                                                                                                                                                                                          | Europe             | PET             |
| May 2011      | Announced a Brownfield expansion of PTA production at the site of the existing plant in Rotterdam, with a new production line with an annual capacity of PTA of 250,000 tonnes per annum. This expansion is to enhance integration with a key raw material for production of PET polymers in Europe.                                                                                                                                                                                                                                                                          | Europe             | PTA             |
| June 2011     | The IVL Board approved the acquisition of a 50% stake in PT Polyprima Karyesreska (PT Polyprima), a PTA producer located in Cilegon, West Java, Indonesia and has an installed capacity of 465,000 Mts. per annum.                                                                                                                                                                                                                                                                                                                                                            | Indonesia          | PTA             |
| July 2011     | Acquisition of 75% equity stake in a joint venture company Trevira Holdings GmbH for the purpose of acquisition of a 120,000 tonnes per annum polyester fiber plant in Germany and Poland. The acquisition of Trevira GmbH facilitated the entry of IVL into the branded specialist filament business and provided access to an outstanding research and development facility with accompanying intellectual property.                                                                                                                                                        | Germany/Poland     | Polyester       |
| August 2011   | The Board approved investments in a new recycling plant in Thailand (now complete) and a high technology business in Polyester fibers and yarns in Thailand and Indonesia. These projects have higher value addition and margins to leverage on our existing assets.                                                                                                                                                                                                                                                                                                          | Thailand/Indonesia | Polyester       |



| Year          | Event                                                                                                                                                                                                                                                                                                                                                                                    | Location        | Business        |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| November 2012 | <ul style="list-style-type: none"> <li>An announcement for the Greenfield expansion of PET production in North America by setting up a new plant with a capacity of 540,000 tonnes per year.</li> </ul>                                                                                                                                                                                  | USA             | PET             |
|               | <ul style="list-style-type: none"> <li>With respect to the announced PET expansion at its Polish site, the Board decided to carry out a significant debottlenecking instead of setting up a new line as it would be more value accretive. This has now been completed.</li> </ul>                                                                                                        | Poland          | PET             |
| February 2013 | <ul style="list-style-type: none"> <li>100% acquisition of a packaging company in Nigeria, Africa, a producer of PET Preforms. This acquisition will be a forward integration for PET segment which set up a PET bottle resin manufacturing unit in Nigeria and completed all the closing formalities and has taken charge of the plant effective April 3, 2013.</li> </ul>              | Nigeria         | Packaging       |
| May 2013      | <ul style="list-style-type: none"> <li>The Board of Directors approved the formation of 50:50 Joint Venture Company with a global producer of non-woven fibers to set up a 14,500 tonnes per annum Bicomponent Fiber Plant at IPI in Rayong, Thailand. The plant started operation in Q2, 2015.</li> </ul>                                                                               | Thailand        | Polyester       |
|               | <ul style="list-style-type: none"> <li>The Board also approved to expand the current Bicomponent Fiber capacity by 10,800 Mts. at the Covington, Georgia USA unit of wholly owned FiberVisions Manufacturing Company</li> </ul>                                                                                                                                                          | USA             | Polyester       |
| October 2013  | <ul style="list-style-type: none"> <li>Establishment of Indorama Ventures Packaging (Philippines) corporation to start a new packaging business in Philippines</li> </ul>                                                                                                                                                                                                                | Philippines     | Packaging       |
|               | <ul style="list-style-type: none"> <li>The establishment of new subsidiaries:<br/>Indorama Ventures USA Holdings LP<br/>Indorama Ventures AlphaPet Holdings, Inc.<br/>Indorama Ventures Europe B.V.<br/>The three holding companies have been formed as part of a restructuring exercise.</li> </ul>                                                                                     | USA             | Holding Company |
|               |                                                                                                                                                                                                                                                                                                                                                                                          | USA             |                 |
|               |                                                                                                                                                                                                                                                                                                                                                                                          | The Netherlands |                 |
| November 2013 | An announcement for moth-balling of our PET plant at Indorama Polymers Workington Ltd., in the UK, as part of our business improvement plan and restructuring strategy of our European businesses.                                                                                                                                                                                       | UK              | PET             |
| December 2013 | The establishment of a new subsidiary: <ul style="list-style-type: none"> <li>Indorama Ventures Global Services Limited.</li> <li>Signing of a Joint Venture Agreement for Aromatics production of Abu Dhabi to develop the Tacaamol Aromatics Plant on Madeenat ChemaWEyaat Al Gharbia's (MCAg) site in the Western Region of Abu Dhabi. This JV was abrogated in June 2015.</li> </ul> | Thailand        | Corporate       |
|               |                                                                                                                                                                                                                                                                                                                                                                                          | Abu Dhabi       | PX              |

| Year          | Event                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Location                                         | Business                                        |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| February 2014 | <ul style="list-style-type: none"> <li>Acquisition of PHP Fibers GmbH and its subsidiaries (PHP), where IVL holds 80% of PHP while the remaining 20% is held by Toyobo Co., Ltd., a leading Japanese manufacturer of high function products, including among others, automotive products. Acquisition completed on 30 April 2014.</li> <li>The establishment of a new indirect subsidiary company in the Republic of Ghana</li> </ul>                                                                                                                                                | Germany<br>USA<br>China<br><br>Republic of Ghana | Air bags & Tire cord yarns<br><br><br>Packaging |
| March 2014    | The establishment of a new joint venture company in Thailand, 50% by Indorama Holdings Ltd., a subsidiary company of IVL and 50% by JNC Fibers Corporation, Japan                                                                                                                                                                                                                                                                                                                                                                                                                    | Thailand                                         | Polyester                                       |
| June 2014     | Acquisition of 100% of Artenius TurkPET A.S. (Artenius) in Adana, Turkey. Artenius is a PET producer in Turkey with a capacity of 130,000 tonnes per annum. Acquisition completed on 2 June 2014.                                                                                                                                                                                                                                                                                                                                                                                    | Turkey                                           | PET                                             |
| October 2014  | Reorganization of the Company's Subsidiaries in The Netherlands and the USA to improve operational and fiscal efficiencies, business workflows and to pool common resources, some of the businesses of its subsidiaries.                                                                                                                                                                                                                                                                                                                                                             | The Netherlands & USA                            | Corporate                                       |
| November 2014 | The establishment of two new joint venture companies: <ul style="list-style-type: none"> <li>Indorama Ventures EcoMex, S. de R. L de C.V.</li> <li>Indorama Ventures EcoMex Services, S. de R. L de C.V.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                  | Mexico                                           | PET                                             |
| December 2014 | Announced the signing of a share purchase agreement to acquire 100% equity stake in Performance Fibers Asia (PF Asia) PF Asia is a leading producer of premium polyester tire cord fabric in Asia. PF Asia plants are located in Kaiping City, Guangdong province of China, with an annual capacity of 41,000 MT of Polyester Tire Cord Fabric and 48,000 MT of Polyester Tire Cord Yarn.<br><br>It has completed all the closing formalities and has taken charge of the plants in China effective April 01, 2015.                                                                  | China                                            | Polyester                                       |
| January 2015  | The Establishment of a New Indirect Subsidiary Company in Myanmar. Indorama Ventures Packaging (Myanmar) Limited investment 100% by a wholly owned subsidiary, IVL Singapore Pte. Ltd.                                                                                                                                                                                                                                                                                                                                                                                               | Myanmar                                          | Packaging                                       |
| March 2015    | <ul style="list-style-type: none"> <li>Completed the Acquisition of 100% stake in Polyplex Resins San. ve Tic. A.S, Turkey. Polyplex Turkey owns a newly set-up greenfield PET plant with a planned capacity of 252,000 tons per annum located at Corlu, close to Istanbul, Turkey.</li> <li>Acquisition of 100% stake in PTA business of CEPSCA Chimie Montréal s.e.c in Montreal, Canada. CEPSCA is the largest and the only PTA manufacturing facility in Canada with an annual capacity of 600,000 Mts. and one of the three merchant PTA producers in North America.</li> </ul> | Turkey<br><br>Canada                             | PET<br><br>PTA                                  |

| Year           | Event                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Location                      | Business                              |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------|
| May 2015       | The completion of the acquisition of 94.91% stake in PET business in Thailand, BPC is a producer of PET polymers in Rayong, Thailand, with an annual capacity of 105,000 tons. Also acquired further shares from the minority shareholders, thereby taking its total shareholding in Bangkok Polyester PCL to 98.97%                                                                                                                                                                                               | Thailand                      | PET                                   |
| June 2015      | The Acquisition of CEP SA Chimie Montréal s.e.c in Montreal, Canada. Completed all the closing formalities and taken charge of the plant in Canada effective June 01, 2015. IVL renamed the operating company as Indorama Ventures PTA Montreal.                                                                                                                                                                                                                                                                   | Canada                        | PTA                                   |
| September 2015 | The establishment of three new subsidiaries: <ul style="list-style-type: none"> <li>• Indorama Ventures Dutch Investments B.V.</li> <li>• Indorama Ventures Investments USA LLC</li> <li>• Indorama Ventures Olefins LLC</li> </ul>                                                                                                                                                                                                                                                                                | The Netherlands<br>USA<br>USA | Holding Company<br>Ethylene Cracker   |
| November 2015  | <ul style="list-style-type: none"> <li>• Acquisition of 100% CEP SA Business in Spain. CEP SA Spain is Europe's largest producer of IPA (Isophthalic acid) and is the 2<sup>nd</sup> largest producer in the World. With 220,000 tons of IPA capacity, 175,000 tons of PET, 325,000 tons of PTA business, the acquisition is expected to be completed within the first half of 2016.</li> <li>• The Establishment of a New Indirect Subsidiary Company in USA<br/>Indorama Ventures Olefins Holding LLC</li> </ul> | Spain<br><br>USA              | IPA, PET & PTA<br><br>Holding Company |
| December 2015  | Completed the acquisition of 100% stake in the Polyethylene Terephthalate (PET) business of MICRO POLYPET Private Limited (MicroPet) and its two subsidiaries Sanchit Polymers Private Ltd and Eternity Infrabuild Private Ltd in India effective on 23 December 2015. MicroPet has an annual PET capacity of 216,000 Mts. and is situated in Panipat district, in the Northern Indian State of Haryana and has a virtual integration with a major refinery for its PTA and MEG feedstocks.                        | India                         | PET                                   |

In August, 2014, the Board of Directors of IVL passed a resolution to increase share capital and issue warrants through a rights issue to existing shareholders. Further, the Extraordinary General Meeting of shareholders No. 1/2014 held on 6 August 2014 considered and approved the rights issue of warrants to existing shareholders, terms of the warrants, increase in registered share capital and allocation of share capital for exercise of warrants. The key terms of issued warrants are;

| Warrant             | IVL W1                                                                                                                                                       | IVL W2                                                                                                                                                       |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Term                | 3 Years                                                                                                                                                      | 4 Years                                                                                                                                                      |
| Exercise Ratio      | 1 unit of warrant for 1 share                                                                                                                                | 1 unit of warrant for 1 share                                                                                                                                |
| Exercise Price      | THB 36 per share                                                                                                                                             | THB 43 per share                                                                                                                                             |
| Issue Date          | 25 August 2014                                                                                                                                               | 25 August 2014                                                                                                                                               |
| Expiry Date         | 24 August 2017,<br>3 years from issue date                                                                                                                   | 24 August 2018,<br>4 years from issue date                                                                                                                   |
| Warrant Issue Price | Baht 0 (at no cost)                                                                                                                                          | Baht 0 (at no cost)                                                                                                                                          |
| Allocation          | To existing shareholders at the ratio of 10 IVL existing shares to 1 IVL-W1                                                                                  | To existing shareholders at the ratio of 13 IVL existing shares to 1 IVL-W2                                                                                  |
| Exercise Period     | Last business day of each month for every 3 months starting from 31 October 2014. The last exercise date is the 3 <sup>rd</sup> anniversary from issue date. | Last business day of each month for every 3 months starting from 31 October 2017. The last exercise date is the 4 <sup>th</sup> anniversary from issue date. |

As of August 31, 2014, the Company has increased its registered share capital from Baht 4,815,856,719 to Baht 5,666,010,449 ordinary shares with par value of Baht 1 per share. The increase in registered share capital by Baht 850,153,730 is reserved for the exercise of warrants IVL-W1 and IVL-W2 into ordinary shares of IVL. As per terms of the issue if all warrants are exercised by the warrant holders into ordinary shares that IVL will raise on exercise of all IVL-W1 up to Baht 17.3 billion by September, 2017 and on exercise of all IVL-W2 up to Baht 15.9 billion by September, 2018.

In October 2014, the Company successfully completed the offering of Subordinated Perpetual Debentures No. 1/2557 for Baht 15 Billion. The Perpetual Debentures carry a fixed rate coupon of 7.0% per annum for the first five years and after every 5 years coupon will be adjusted as per stated terms and conditions. The issuance has strengthened the capital structure, improved the liquidity and flexibility of the company. The Company rating was reaffirmed A+ stable in October, 2015 and the perpetual debentures have an issue rating of A- from the TRIS Rating Company Limited (TRIS).

In October 2015, the Company has successfully issued its first overseas Senior Unsecured Bond to the amount of SGD 195 Million to institutional investors in Singapore through its wholly-owned subsidiary, IVL Singapore PTE Ltd. The Bond has been rated AA (Stable) by Standard and Poor's and has a tenor of 10 years with an interest rate of 3.73 percent per annum. It is guaranteed by Credit Guarantee & Investment Facility (CGIF), a trust fund of the Asian Development Bank and listed on the SGX-ST.

## The Company's Shareholding Structure

IVL is a holding company conducting our business through investment in companies engaging in manufacture of integrated petrochemical products both domestic and international. Our headquarters are located in Bangkok. These companies are manufacturers and suppliers of polyethylene terephthalate (PET), polyester fiber and yarn, purified terephthalic acid (PTA), Mono Ethanol Glycols (MEG), wool worsted yarns, polypropylene fibers and yarns, nylon fibers and yarns and others.

**Our core businesses are classified in business segments as follows:**

**PET**

| Name                                                                               | Country           | Type of business                                                   | % of Shareholding |
|------------------------------------------------------------------------------------|-------------------|--------------------------------------------------------------------|-------------------|
| Indorama Polymers PCL                                                              | Thailand          | Manufacture of SSP Chips and PET                                   | 99.26             |
| Asia Pet (Thailand) Ltd.                                                           | Thailand          | Manufacture of Amorphous Chips                                     | 99.99             |
| StarPet Inc.                                                                       | USA               | Manufacture of PET (bottle-grade resin chips)                      | 100.00            |
| UAB Orion Global Pet                                                               | Lithuania         | Manufacture of PET (bottle-grade resin chips)                      | 100.00            |
| Indorama Polymers Workington Ltd.                                                  | United Kingdom    | Manufacture of PET (bottle-grade resin chips)                      | 100.00            |
| Indorama Polymers Rotterdam B.V.                                                   | The Netherlands   | Manufacture of PET (bottle-grade resin chips)                      | 100.00            |
| AlphaPet Inc.                                                                      | USA               | Manufacture of PET (bottle-grade resin chips)                      | 100.00            |
| Indorama PET (Nigeria) Ltd.                                                        | Nigeria           | Manufacture of PET (bottle-grade resin chips)                      | 90.00             |
| Guangdong IVL PET Polymer Company Limited                                          | China             | Manufacture of PET (bottle-grade resin chips)                      | 100.00            |
| Auriga Polymers Inc.                                                               | USA               | Manufacture of PET (bottle-grade resin chips) and Polyester Fibers | 100.00            |
| Petform (Thailand) Ltd.                                                            | Thailand          | Manufacture of PET Preforms, Closures and Blown Bottles            | 60.00             |
| Indorama Ventures Poland Sp.z.o.o.                                                 | Poland            | Manufacture of bottle-grade resin chips                            | 100.00            |
| Indorama Ventures Polymers Mexico, S. de R.L. de C.V.                              | Mexico            | Manufacture of PET (bottle-grade resin chips)                      | 100.00            |
| PT Indorama Polypet Indonesia                                                      | Indonesia         | Manufacture of PET                                                 | 100.00            |
| Beverage Plastics Limited                                                          | United Kingdom    | Manufacture of PET preforms bottles and closures                   | 51.00             |
| Aurus Packaging Limited (Renamed to Indorama Ventures Packaging (Nigeria) Limited) | Nigeria           | Manufacture of PET preforms bottles and closures                   | 100.00            |
| Indorama Ventures Packaging (Philippines)                                          | Philippines       | Manufacture of PET preforms bottles and closures                   | 99.99             |
| Indorama Ventures Packaging (Ghana) Limited                                        | Republic of Ghana | Manufacture of PET preforms bottles and closures                   | 100.00            |
| Indorama Ventures Adana PET Sanayi Anonim Şirketi                                  | Turkey            | Manufacture of bottle-grade resin chips                            | 100.00            |
| Indorama Ventures EcoMex, S. de R. L. de C.V.                                      | Mexico            | Manufacture of PET Recycled Flake                                  | 51.00             |
| Indorama Ventures Packaging (Myanmar) Limited                                      | Myanmar           | Manufacture of bottle-grade resin chips                            | 100.00            |
| Indorama Ventures Corlu PET Sanayi A.Ş.                                            | Turkey            | Manufacture of PET                                                 | 100.00            |
| Bangkok Polyester Public Company Limited (BPC)                                     | Thailand          | Manufacture of PET                                                 | 98.97             |
| MICRO POLYPET Private Limited (MicroPet)                                           | India             | Manufacture of PET                                                 | 100.00            |

## Fibers and Yarns

| Name                                          | Country   | Type of business                                               | % of Shareholding |
|-----------------------------------------------|-----------|----------------------------------------------------------------|-------------------|
| Indorama Polyester Industries PCL             | Thailand  | Manufacture of polyester fibers and yarns                      | 99.97             |
| PT Indorama Ventures Indonesia                | Indonesia | Manufacture of polyester filament and yarns and PET            | 99.99             |
| PT Indorama Polyester Industries Indonesia    | Indonesia | Manufacture of Polyester Fibers and Yarns                      | 99.97             |
| PT Indorama Polychem Indonesia                | Indonesia | Manufacture of Polyester Chips, Fibers and Yarns               | 100.00            |
| Wellman International Limited                 | Ireland   | Manufacture of Polyester Fibers and other Recycling Products   | 100.00            |
| Wellman France Recyclage SAS                  | France    | Manufacture of Flakes and other Recycling Products             | 100.00            |
| FiberVisions Manufacturing Company            | USA       | Manufacture of polypropylene fibers and yarns                  | 100.00            |
| FiberVisions Products, Inc.                   | USA       | Manufacture of polypropylene fibers and yarns                  | 100.00            |
| FiberVisions A/S                              | Denmark   | Manufacture of polypropylene fibers and yarns                  | 100.00            |
| FiberVisions (China) Textile Products Limited | China     | Manufacture of polypropylene fibers and yarns                  | 100.00            |
| Trevira GmbH                                  | Germany   | Manufacture of Polyester Fibers and Yarns                      | 75.00             |
| Indorama Holdings Ltd.                        | Thailand  | Manufacture of Worsted Wool Yarns                              | 99.81             |
| PHP Fibers GmbH                               | Germany   | Manufacture of Nylon fibers and yarns for Airbags & Tire Cords | 80.00             |
| ES Fiber Visions (Thailand) Company Limited   | Thailand  | Manufacture of Bicomponent Fibers                              | 50.00             |
| Performance Fibers Asia                       | China     | Manufacture of polyester tire cord fabric                      | 100.00            |

## Feedstock

| Name                                    | Country         | Type of business                | % of Shareholding |
|-----------------------------------------|-----------------|---------------------------------|-------------------|
| Indorama Petrochem Ltd.                 | Thailand        | Manufacture of PTA              | 99.99             |
| TPT Petrochemicals PCL                  | Thailand        | Manufacture of PTA              | 99.97             |
| Indorama Holdings Rotterdam B.V.        | The Netherlands | Manufacture of PTA              | 100.00            |
| Indorama Ventures (Oxide & Glycols) LLC | USA             | Manufacture of EO and EG        | 100.00            |
| CEPSA Chimie Montréal s.e.c             | Canada          | Manufacture of PTA              | 100.00            |
| Indorama Ventures Olefins LLC           | USA             | Manufacture of Ethylene Cracker | 76.00             |



# NATURE OF BUSINESS

## Revenue Structure

The details of our sales revenue structure according to our consolidated financial statements for the year ended December 31, 2013 to 2015 are as follows:

| Details                                        | Year Ended December 31, |            |                |            |                |            |
|------------------------------------------------|-------------------------|------------|----------------|------------|----------------|------------|
|                                                | 2013                    |            | 2014           |            | 2015           |            |
|                                                | (Baht million)          | %          | (Baht million) | %          | (Baht million) | %          |
| <b>Revenue breakdown by Business Segments</b>  |                         |            |                |            |                |            |
| - PET                                          | 146,418                 | 64         | 145,121        | 59         | 131,834        | 56         |
| - Fibers and yarns                             | 47,968                  | 21         | 70,274         | 29         | 73,219         | 31         |
| - Feedstock                                    | 70,391                  | 31         | 64,477         | 26         | 59,960         | 26         |
| - Elimination                                  | (35,657)                | (16)       | (35,965)       | (14)       | (30,315)       | (13)       |
| <b>Consolidated revenue from sale of Goods</b> | <b>229,120</b>          | <b>100</b> | <b>243,907</b> | <b>100</b> | <b>234,698</b> | <b>100</b> |

Source: The Company's consolidated financial statements

Our sales are diversified into the major regional markets, which are serviced from manufacturing units inside the region and through exports, mainly from manufacturing units in Asia. Our sales by geographic segment for the year ended December 31, 2013 to 2015 are as follows:

| Details                                           | Year Ended December 31, |            |                |            |                |            |
|---------------------------------------------------|-------------------------|------------|----------------|------------|----------------|------------|
|                                                   | 2013                    |            | 2014           |            | 2015           |            |
|                                                   | (Baht million)          | %          | (Baht million) | %          | (Baht million) | %          |
| <b>Revenue breakdown by Geographical Segments</b> |                         |            |                |            |                |            |
| Thailand                                          | 16,933                  | 7          | 15,053         | 6          | 14,783         | 6          |
| North America                                     | 87,515                  | 38         | 84,361         | 35         | 83,023         | 36         |
| Europe                                            | 58,840                  | 26         | 70,657         | 29         | 70,624         | 30         |
| Rest of the World                                 | 65,833                  | 29         | 73,836         | 30         | 66,268         | 28         |
| <b>Consolidated revenue from sale of goods</b>    | <b>229,120</b>          | <b>100</b> | <b>243,907</b> | <b>100</b> | <b>234,698</b> | <b>100</b> |

\*Geographical revenues breakup on customers' location

Source: The Company's consolidated financial statements

## Business Overview

Indorama Ventures (SET: IVL) is a major global intermediate and downstream petrochemicals producer with 59 sites in 20 countries across four continents (as of December 31, 2015) providing value-added and differentiated products and services to the fast-moving consumer goods industry. Our management team has in-depth experience in the polyester and high value-added chains.

High value-added are various products, that we make, which are premium products and normally have higher margins over the pure staple commodity products.

IVL has integrated businesses that are aligned to create a sustainable value proposition. IVL's customer orientation, global reach and scale allow us to benchmark ourselves globally to enhance operational excellence.

The new factor that will provide a broader portfolio of products for customers is in innovation, high value-added products and recycling, where the bottom line can be grown and increase the sustainability of the business. Investment in research and development will provide customers with new products and services that will enhance our offering and complete the loop as a one-stop center for global requirements. In year 2011-15, we have acquired businesses manufacturing high value-added products (HVA). Our principal acquisitions in HVA products are:

Trevira, which is a manufacturer of polyester fibers and yarns for applications in apparels, home furnishings, automotive and industrial applications and whose principal operating units are based in Germany.

FiberVisions, a manufacturer of high value-added polypropylene fibers and yarns for hygiene applications. The principal operating unit is based in the USA.



*Blood tubes for medical use are made from PET*

PHP Fibers, a manufacturer of nylon 6.6 polyamide fibers and yarns for application in the automotive industry, commonly used for manufacturing air bags and tire cords. The principal operating unit is in Germany.

Performance Fibers, a manufacturer of premium polyester tire fabrics in China, Asia, which is the largest and fastest-growing market for polyester tire cord fabric.

## Business Description

The term Polyester can be broken into poly, meaning many, and ester, a basic organic chemical compound. The principle ingredients used in the manufacture of polyester are purified terephthalate acid, derived from Paraxylene, a part of the aromatics chain leading backwards into crude oil, and monoethylene glycol, part of the olefins chain that leads backward to crude oil or natural gas. The chemical process that produces the finished polyester is called polymerization. Indorama Ventures Public Company Limited (IVL) is one of the world's foremost-integrated producers in the Polyester industry.

IVL is a bridge connecting the oil and gas industry with fast moving consumer goods (FMCG) producers. There is less volatility than up-stream manufacturers, with constant demand from downstream customers, as they are mostly FMCG companies.

The industry norm is to have long-term volume contracts with customers, normally of one to three years; however, the pricing is adjusted monthly, to compensate for upstream volatility according to an agreed mechanism. The system indicates IVL's ability to pass through price (not contractually) movements to the end customers.

This mechanism implies that crude oil and its derivative raw materials used to produce PET and Polyester fibers have low impact on the business except in the case that there is a sharp rise or fall in the price of such materials within a short period, entailing an adjustment in the cost of inventory to reflect market prices. This mark-to-market effect is termed inventory gains or inventory losses.

Raw material prices have a modest effect on the price of a bottle of carbonated soft drinks. This is because the actual cost of the PET in a two-liter bottle is around 4% of the total. In addition, Polyester fiber is around 5% of the cost of a sports shirt, therefore fluctuations in price have a minor or insignificant effect on customers. Due to the undulating nature of the prices having little impact on the business, the Company instead maintains a spread, the difference between the price of the raw materials and the selling price. However, there could be volatilities in the spread when there is oversupply in the industry in the short term.

## PET Business

### PET Business Overview

Our PET business is part of our core polyester value chain business and comprised 49% of production volumes in 2015. Beginning with one manufacturing plant, we have grown today to operate across the four major consuming continents of North America, Europe, Africa and Asia. Our PET business comprises the production and sale of PET resin, a plastic polymer resin primarily used for beverage containers and food packaging, for packaging

of pharmaceutical and household products and in industrial packaging applications. We also produce PET packaging in the form of preforms, bottles and closures through various production facilities including Petform, a joint venture with Serm Suk Pcl. In Thailand, Beverage Plastics in Ireland, Aurus Packaging in Nigeria, Indorama Ventures Packaging (Philippines) in Philippines etc.

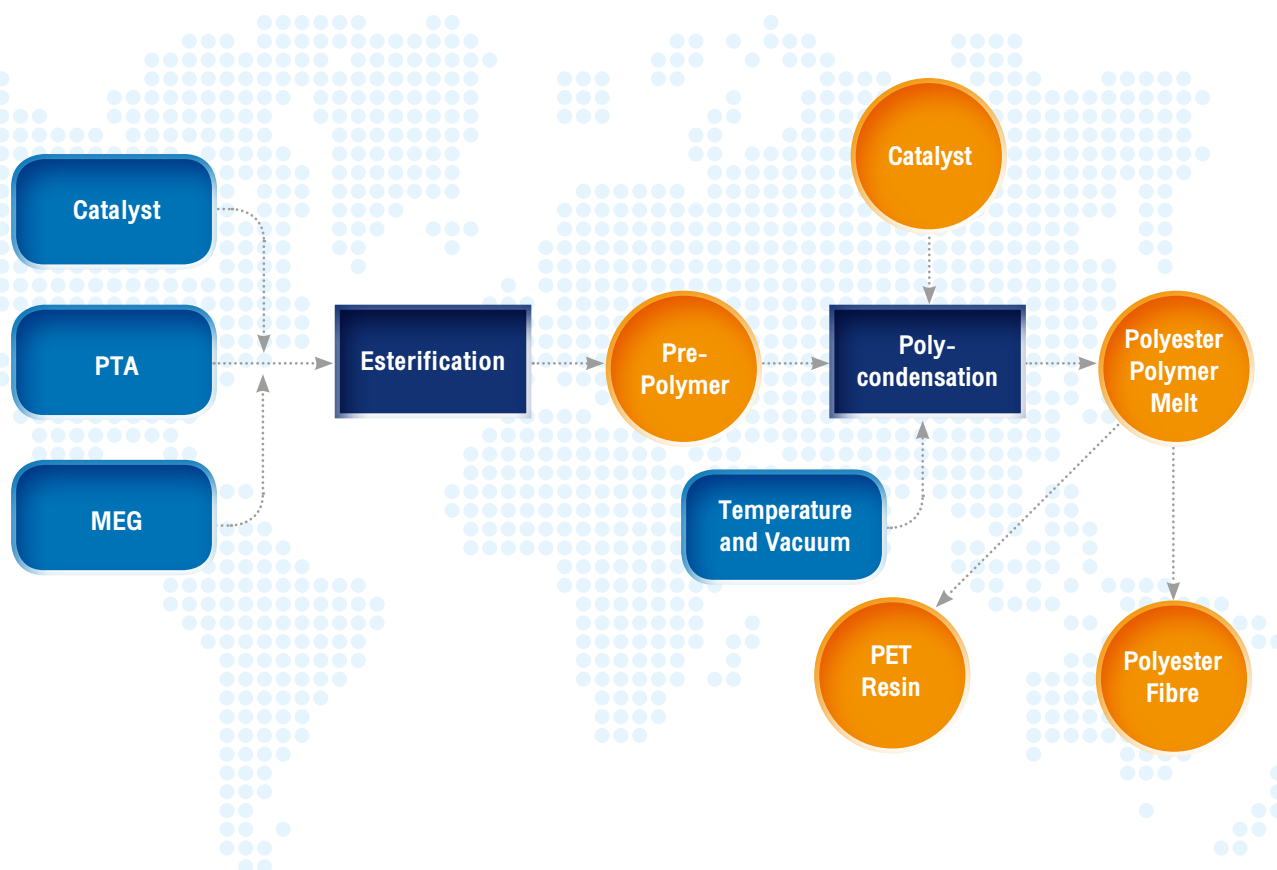
As of December 31, 2015, we are the largest PET resin producer in the world with an aggregate installed production capacity of 4.4 million tonnes per annum of PET.

### PET Products

We produce a variety of PET resins, including hot-fill, high and low intrinsic viscosity, quick heat and general grade, to serve a variety of markets including carbonated soft drinks, bottled water, juices, other beverages, food and other applications.

### PET Production Process

PET resin comes from polyester polymer melt. The chart below summarizes the polyester production process.



The melt is converted into PET resin, either through a conventional solid-state process or through a newer technology melt-to-resin process. Under the conventional solid-state polycondensation process, the melt is extruded in strands, which are cooled down quickly by water. After solidification, the strands are cut into small pellets, dried and further crystallized by heating in a reactor under specific temperature and pressure conditions under a nitrogen flow. Under the melt-to-resin process, the

polycondensation process is completed during the melt phase, resulting in the formation of pellets without going through the solidification process. We have plants that uses either or of these technologies.

## PET Production Facilities

The following table describes our PET production facilities as of December 31, 2015.

| Production Facility                           | Location                            | Installed Capacity <sup>(1)</sup><br>('000 tons per annum) |
|-----------------------------------------------|-------------------------------------|------------------------------------------------------------|
| AlphaPet PET Facility                         | Decatur, Alabama, U.S.A.            | 445                                                        |
| StarPet PET Facility                          | Asheboro, North Carolina, U.S.A.    | 266                                                        |
| Orion Global PET Facility                     | Klaipeda, Lithuania                 | 274                                                        |
| IRP Rotterdam PET Facility                    | Rotterdam, the Netherlands          | 426                                                        |
| IRP/AsiaPet PET Facilities <sup>(2)</sup>     | Lopburi, Thailand                   | 181                                                        |
| Indorama Polyester Industries PET Resin Line  | Map Ta Phut, Thailand               | 108                                                        |
| GIVL PET Facility                             | Kaiping, China                      | 548                                                        |
| Arteva PET Facility                           | Queretaro, Mexico                   | 484                                                        |
| Auriga Facility - PET Resin Line              | Spartanburg, South Carolina, U.S.A. | 323                                                        |
| IVL Wloclawek PET Facility                    | Wloclawek, Poland                   | 230                                                        |
| IVL Tangerang Facility - PET Resin Line       | Tangerang, Indonesia                | 91                                                         |
| Port Harcourt SSP Facility                    | Nigeria                             | 80                                                         |
| PT Indorama Polypet Facility - PET Resin Line | Cilegon, Indonesia                  | 102                                                        |
| Adana, Turckpet                               | Adana, Turkey                       | 132                                                        |
| Polyplex, PET Facility                        | Istanbul, Turkey                    | 252                                                        |
| Indorama Ventures Polymers (Rayong)           | Rayong, Thailand                    | 105                                                        |
| Micropet                                      | India                               | 216                                                        |
| Packaging Facility                            | Various sites                       | 110                                                        |
| <b>Total</b>                                  |                                     | <b>4,372</b>                                               |

(1) We have re-rated plant capacity to reflect the de-bottlenecking projects taken-up by various plants from time-to-time. In addition, the capacity doesn't include two non-operating PET sites: IRP Workington and Ottana Polimeri S.R.L.

(2) This comprises the Indorama Polymers PCL PET facility and the AsiaPet Amorphous PET facility, each with a capacity of 178 Kt per annum and together forming a single PET resin line. The AsiaPet (Thailand) Ltd. Amorphous PET facility produces amorphous PET, used in the Indorama Polymers PCL PET facility to produce PET resin.

## PET Sales and Marketing

We have PET sales and marketing teams in each of the regions in which we operate. Our sales and marketing head office in Thailand oversees their work. We classify our main customers for PET into four main groups:

- Well-known brand name beverage companies with their own conversion plants to produce PET bottles;
- Well-known brand name beverage companies who sub-contract the production of PET bottle to converters using PET resin purchased by such beverage companies
- PET resin traders; and
- PET converters who use PET resin to manufacture preforms, bottles, sheets and other PET packaging to service the needs of end users.



*Many products for personal care are in PET containers.*

We sell our PET resin primarily through direct sales to end-use customers. A small proportion of our sales take place through agents and traders.

We are the world's largest PET resin producer and the only PET resin producer with production facilities in Asia, North America, Europe and Africa, which allows us to market our PET resin products globally to customers for their world-wide PET requirements. Our marketing activities include regular meetings with our customers to understand their requirements and maintain good relationships as well as providing customer service.

## PET Competition

We are the largest PET producer globally: No.1 in Europe, No.2 in North America and No.4 in Asia. Our principal competitors in the European market are Equipolymers and Neo Group. Our principal competitors in the North American market are Alpek (DAK Americas LLC) and the M&G Group. Our competitors in the Thai market are Thai Shinkong Industry Corp. and Thai PET Resin Co., Ltd. Although PET technology is available through commercial licenses, we believe the capital investment required to achieve profitability through economies of scale may inhibit new entrants to the market.

## Fibers and Yarns Business

### Polyester Fibers and Yarns

Polyester was discovered in the 1940s and has been manufactured on an industrial scale since 1947. Polyester fibers are the first choice for apparel and are used in trousers, skirts, dresses, suits, jackets, blouses and outdoor clothing.

Blends with cotton and virgin wool are very popular. They are often referred to as the "classical blend".

Polyester fibers are formed from a chemical reaction between an acid and alcohol. In this reaction, two or more molecules combine to make a large molecule whose structure repeats throughout its length. Polyester fibers can form very long molecules that are very stable and strong.

Polyester fibers are produced by the melt spinning process. Raw materials are heated to a spinning mass, which is then pressed through spinnerets (similar to a sieve). Manufacturing techniques have developed to the point where they can produce round, oval or angular profiles, making them firm to the touch.

Polyester fibers are particularly resistant to light and weather, and can withstand climatic effects, being as light or as fine as weather demands. Polyester fibers have good moisture transport and dry quickly.

### Major Uses of Polyester Fibers and Yarns

Polyester fibers are most commonly used for apparel, from sportswear to high fashion; home textiles, such as bedding and carpets; non-woven materials like surgical gowns; technical textiles like filters and automotive uses like carpets and insulation.

With the acquisition of Performance Fibers in China in 2015, IVL can now produce polyester yarns and Polyester Fabrics that are used in tires and supplies to various world-class tire companies.



*Polyester fibers are used for airplane seats and padded walls.*

### Olefin Fibers and Yarns

The fiber forming substance is any long-chain synthetic polymer composed of at least 85% by weight of ethylene, propylene, or other olefin unit in these manufactured fibers. Italy began production of olefin fibers in 1957. U.S. production of olefin fibers began in 1960. The first commercial producer of olefin fibers in the United States was Hercules, Inc. (now FiberVisions, which we own).

Usually polymer granules are fed into an extruder that melts the polymer that is then pumped through a spinneret (think of a sieve). The filaments are cooled in an air stream before being wound on a package or collected in cans. Because the fibers are difficult to dye, colored pigments are often added to the polymer stream before extrusion to produce colored fibers.

Propylene, when polymerized, creates a crystalline polypropylene polymer. The fibers made with these polymers can be used in furnishing, apparel and industrial products. Olefin fibers provide warmth without much weight. Olefin is abrasion, stain, sunlight, fire and chemical resistant. It does not dye well, but has the advantage of being colorfast since pigments are added inside the fibers. Since Olefin fibers have a low melting point, they can be thermally bonded. One of the most important properties of Olefin

fibers is its strength, which can be tailored for different applications. It keeps its strength in wet or dry conditions. Olefin fibers can be multi- or monofilament and staple, tow, or film yarns. The cross section is usually round, but can be modified for different end uses.

## Major Uses of Polyolefin Fibers

Uses include nonwoven fabrics for diapers, feminine care and adult incontinence products (as top sheet, back sheet, leg cuffs, elastic waistband, transfer layers); in spun laced nonwoven products like medical disposable textiles, filtration products or in air-laid nonwoven structures as absorbent cores, and wet wipes.

In terms of apparel, olefin fibers are used in sports and active wear, socks, thermal underwear and as lining fabrics, while in the home they are often used by itself or in blends for indoor and outdoor carpets, carpet tiles and carpet backing. The fiber can also be used in upholstery, draperies, wall coverings, slipcovers, and floor coverings as well as heat-sealable paper like tea- and coffee-bags.

In heavier applications, the fibers are often used for interior fabrics, sun visors, arm rests, door and side panels, trunk and parcel shelves, while olefin creates carpets; ropes, geo-textiles that are in contact with the soil, filter fabrics, bagging and concrete reinforcement.



*One of our high value-added products is hygiene fibers, which are used in diapers.*



*Polyester fibers are used for different types of food packaging such as tea bags.*

## Bicomponent Fibers

Bicomponent fibers may be defined as “extruding two polymers from the same spinneret with both polymers contained within the same filament.” A close relative is “co-spun fiber,” which is a group of filaments of different polymers, but with a single component per filament spun from the same spinneret. The term “conjugate fibers” is often used, particularly in Asia, as synonymous with bicomponent fibers. The main objective of producing bicomponent fibers is to exploit capabilities not existing in either polymer alone. Bicomponent fibers are commonly classified by their fiber cross-section structures as side-by-side, sheath-core, islands-in-the-sea and citrus fibers or segmented-pie cross-section types. Bicomponent fibers made of polyethylene sheath and polypropylene core are important fibers for the nonwoven fabric market.

## How Worsted Wool is made

The name Worsted derives from Worstead, a village in the English county of Norfolk. Worsted wool fabric is typically used in the making of tailored garments such as suits, as opposed to woolen wool, which is used for knitted items such as sweaters. The essential feature of worsted yarn is straight, parallel fibers. Worsteds differ from woolens, in that the natural crimp of the wool fiber is removed in the process of spinning the yarn. IVL produces wool

from Merino sheep. These sheep are sought after for their coats, which are said to produce the finest, softest wool available.

While many forms of wool require that the fiber undergo a spinning process, the production of worsted wool follows a slightly different path. Rather than going directly into a spinning process, the wool is first combed in a carding process. This is where wool fibers are separated and prepared for spinning to remove any short and brittle fibers from the wool, leaving only the longer strands of the fiber to undergo the spinning process, producing a smooth yarn that possesses a higher durability.

Owing to the strength of worsted wool, the fibers can be woven into a finer material that is more crease resistant than many other fabric choices making it an ideal choice for garments that need to hold their shape. Worsted wool has been a popular choice for men’s trousers, pleated skirts for women, and both men’s suits and sport jackets. Because worsted wool is so durable, it wells very well and drapes easily, making it an ideal fabric for all sorts of garments.

## Major Uses of Worsted Wool Yarns

Worsted Wool produced by Indorama Ventures is used in high-end suiting for both men and women.



*Specialty polyester is used to make industrial straps.*

## Nylon 6.6 tire cord, yarns and major usage

With the acquisition of PHP Fibers GmbH and its subsidiaries ("PHP"), IVL holds 80% of PHP while the remaining 20% is held by Toyobo Co., Ltd., a leading Japanese manufacturer of high function products, including among others, automotive products.

PHP is a globally recognized manufacturer of branded high-tenacity polyamide nylon 6.6 yarns and is one of the leading

suppliers in Europe for the automotive safety supply chain. PHP Group production facilities are located in USA, Europe and China.

This acquisition of PHP significantly enhances the Company's High Value Add (HVA) product portfolio with the addition of high performance automotive and industrial products.

These yarns are extensively used in automotive sector in air bags and tire cords.



*Our nylon 6.6 yarns are used for automotive parts, such as airbags and seat belts.*

## Fibers and Yarns Production Facilities

The following table describes our fibers and yarns production facilities as of December 31, 2015.

| Production Facility                                                       | Location                                                            | Installed Capacity <sup>(1)</sup><br>('000 tons per annum) |
|---------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------|
| Indorama Polyester Industries Nakhon Pathom Facility                      | Nakhon Pathom, Thailand                                             | 118                                                        |
| Indorama Polyester Industries Map Ta Phut Facility                        | Map Ta Phut, Thailand                                               | 190                                                        |
| Indorama Holdings Facility – Wool line                                    | Lopburi, Thailand                                                   | 6                                                          |
| Auriga Facility – Polyester line                                          | Spartanburg, South Carolina, USA                                    | 66                                                         |
| IVL Karawang Polyester Facility                                           | Karawang, Indonesia                                                 | 36                                                         |
| IVL Tangerang Facility – Polyester line                                   | Tangerang, Indonesia                                                | 71                                                         |
| Trevira – Polyester line <sup>(2)</sup>                                   | Bobingen and Guben, Germany                                         | 120                                                        |
| Arteva PET Facility                                                       | Queretaro, Mexico                                                   | 58                                                         |
| Wellman International – Recycled Polyester                                | Mullagh, Ireland, Spijk, Netherlands and Verdun, France             | 163                                                        |
| FiberVisions – Polyolefin line                                            | Duluth, Athens and Covington, USA, Varde, Denmark and Suzhou, China | 204                                                        |
| Indorama Polyester Industries Map Ta Phut Facility - BICO                 | Map Ta Phut, Thailand                                               | 16                                                         |
| Indorama Polyester Industries Nakhon Pathom Facility – Recycled Polyester | Nakhon Pathom, Thailand                                             | 29                                                         |
| Polychem Facility (CP4) – Polyester line                                  | Purwakarta, Indonesia                                               | 322                                                        |
| PHP Fibers – Nylon 6.6 tire cord and yarns                                | Germany, USA and JV in China                                        | 84                                                         |
| Performance Fiber                                                         | Guangdong, China                                                    | 41                                                         |
| <b>Total</b>                                                              |                                                                     | <b>1,523</b>                                               |

(1) The capacity of plants has been re-rated to reflect the de-bottlenecking projects taken-up by the various plants from time-to-time.

(2) 75% JV by acquisition of facility on July 1, 2011. From October 1, 2013, Trevira has been fully consolidated due to a revision in terms with the JV partner.

## Fibers and Yarns Sales and Marketing

Our main customers for fibers and yarns products are companies producing textiles for apparel, fast moving consumer goods companies in hygiene, companies producing home textiles and industrial companies such as automotive companies and packaging film producers.

## Fibers and Yarns Competition

Competition in the global fibers and yarns industry is characterized by the presence of large diversified industrial companies, as well as a large number of relatively small niche players with a capacity of sometimes even less than 10,000 tonnes per annum. Larger fibers and yarns producers usually focus on high-volume standard fibers for sale in domestic markets where the level of competition is high and predominantly based on price and, to a lesser degree, on consistency of product quality. The larger polyester producers of commodity polyester products continue to focus on increasing their production of non-commodity products. They comprise approximately half of our total output. China dominates the polyester production and has many companies involved in this business. There are few companies in Korea, China, Turkey and in the



*Our polyester is used for automotive parts, such as tire cord fabrics.*



*We supply special fiber for military uniforms, which masks human infrared radiations.*

western markets where they make specialized fibers and yarns, which competes with our specialized fibers, and yarns.

## Feedstock Business

Feedstock for Indorama Ventures means PTA, MEG, EO derivatives and by-products, which are raw materials for producing our major products.

In full, PTA is Purified Terephthalic Acid and it is an organic compound. This colorless powder is a commodity chemical, used principally in the manufacture of PET, which is generally used to make clothing and plastic bottles.

## PTA Business

Terephthalic acid is an organic compound and a colorless solid. It is a commodity chemical, used principally as a precursor to the polyester PET, used to make clothing and plastic bottles.

IVL entered the PTA business in 2008 with the strategy of developing raw material integration to ensure an uninterrupted supply of raw materials and capture better margins in the Polyester value chain. This provides IVL with a cost competitive edge to the PET and Fiber businesses. The Company's PTA assets are strategically co-located with downstream facilities in Thailand, Indonesia, Canada and the Netherlands with a capacity of 2.3 million tonnes per annum (including our Indonesia joint ventures).

## How PTA is made

Terephthalic acid is the result of the oxidation of Paraxylene (PX). The commercial process utilizes acetic acid as a solvent together with a catalyst composed of cobalt and manganese salts, with a bromide promoter.

A radical chain reaction occurs in a series of intermediates, starting with the oxidation of Paraxylene and finally to terephthalic acid (TA). It is then further purified to make PTA.

## Uses of PTA

PTA is a major feedstock of PET and polyester fibers and yarns, however a few small niche uses occur, such as in the analgesic drug oxycodone, which occasionally comes as a terephthalate salt.



*Specialty polyester is used to made industrial cords.*

The chart below summarizes the PTA production process.



Our main customers for PTA are PET resin and polyester producers. Our downstream PET and polyester production facilities use a significant proportion of our PTA production. We sell the remaining PTA that we do not use within the group to third party customers. In 2013, 2014 and 2015, 62.4%, 63.7% and 53.8% respectively, of our PTA were sold to the group and 37.6% 36.3% and 46.2% respectively, of our PTA were sold to third party customers.

Our PTA sales and marketing head office is located in Thailand and is responsible for sales and marketing activities relating to our customers worldwide. Our marketing activities include regular meetings with our customers to understand their requirements and maintain good relationships as well as providing customer service.

As PTA is a commodity product, competition relies mainly on price and, to a lesser extent on lead times to product delivery.

Manufacturers of PTA can be classified between merchant producers and integrated PTA producers. Merchant producers manufacture and supply PTA to third parties, whereas integrated PTA producers manufacture and use PTA for their own captive consumption partially or fully. We are an integrated PTA producer. Currently in China there are many new PTA plants using the latest technology and having lower conversion costs than previously. However, there are other competitors in Europe and North America.

The other major feedstock produced by Indorama Ventures is monoethylene glycol (MEG) which is an organic compound. In its pure form, it is an odorless, colorless, syrupy, sweet-tasting liquid.

Monoethylene glycol comes from ethylene via the intermediate ethylene oxide. Ethylene oxide reacts with water to produce ethylene glycol.

The major end uses of ethylene glycol are in polyester industry and in antifreeze for automobile radiators. Besides automobiles, MEG is a medium in liquid-cooled computers, chilled water air-conditioning systems and geothermal heating/cooling systems.

Purified Ethylene Oxide comes from the direct oxidation of ethylene in the presence of a silver catalyst.

## Uses of PEO

Purified Ethylene Oxide is used in the production of detergents, thickeners, solvents, plastics and various organic chemicals such as ethylene glycol, ethanolamines, simple and complex glycols, polyglycol ethers and other compounds. Pure ethylene oxide is a disinfectant that is widely used in hospitals and the medical equipment industry to replace steam in the sterilization of heat-sensitive tools and equipment, such as disposable plastic syringes.

PEO derivatives are used to manufacture various products such as soaps, detergents, brake fluids, weed killer and urethane foam.

Ethylene oxide is one of the most important raw materials used in the large-scale chemical production. Most ethylene oxide is used for synthesis of

ethylene glycols, including diethylene glycol and triethylene glycol that accounts for up to 75% of global consumption. Other important products include ethylene glycol ethers, ethanolamines and ethoxylates. Among glycols, ethylene glycol is used as antifreeze, in the production of polyester and PET, liquid coolants and solvents. Polyethylene glycols are used in perfumes, cosmetics, pharmaceuticals, lubricants, paint thinners and plasticizers. Ethylene glycol ethers are part of brake fluids, detergents, solvents, lacquers and paints. Other products of ethylene oxide include ethanolamines, used in the manufacture of soap and detergents and for purification of natural gas. Ethoxylates are reaction products of ethylene oxide with higher alcohols, acids or amines. They are used in the manufacture of detergents, surfactants, emulsifiers and dispersants.

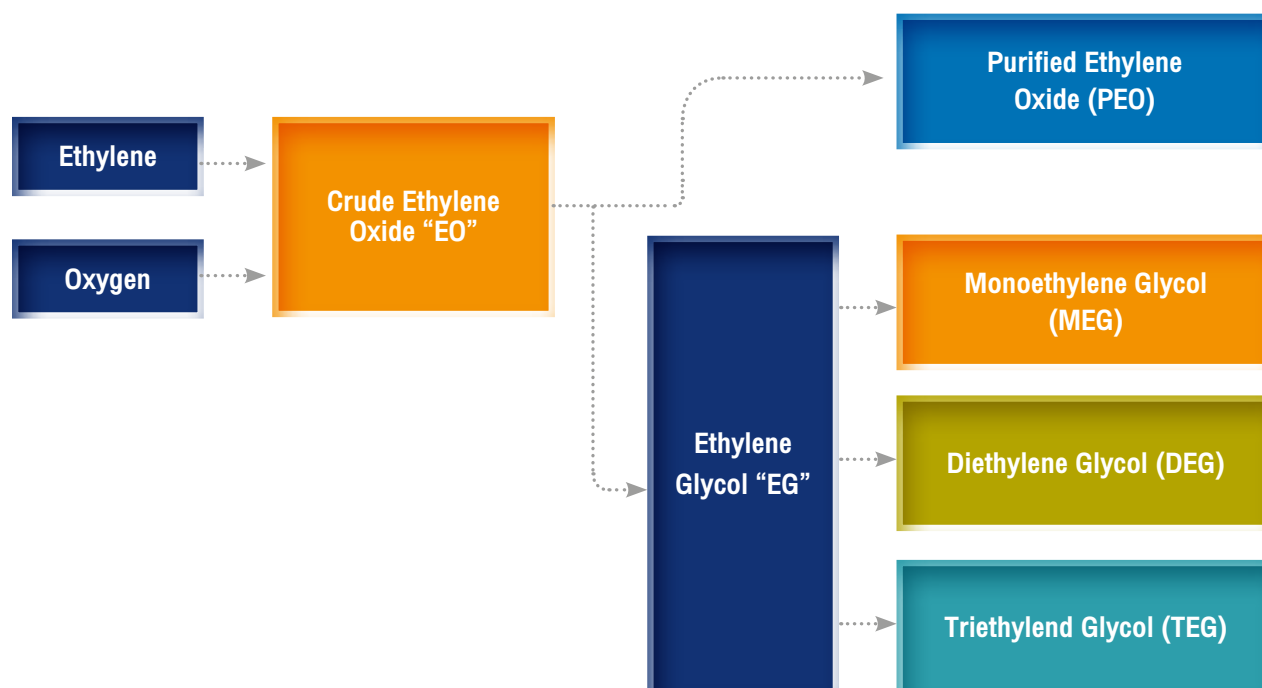
## TEG and DEG Business

Diethylene Glycol (DEG) is a by-product made together with MEG through the processing of EO. DEG has broad applications and is used to manufacture polyester polyols, unsaturated polyester resins, buffet heaters, morpholine production, paints and coatings, plasticizers, liquid laundry detergent, cement grinding and as an intermediate for polyethylene glycol.

Triethylene Glycol (TEG) is a by-product made by processing EO. TEG is mainly used for natural gas dehydration. The other applications are air sterilizers, resin for windshield plate glass and as an intermediate for polyethylene glycol. It is used as a plasticizer for vinyl. It is also used in air sanitizer products. When aerosolized it acts as a disinfectant. It is an additive for hydraulic fluids and brake fluids and is used as a base for "smoke machine" fluid in the entertainment industry.

## Oxide and Glycol Process

The chart below summarizes the EO/EG production process.



## Oxide and Glycol Sales and Marketing

With IVL's acquisition of its first EO/EG plant in April 2012 has 100% of its sales in the North America. Sales and Marketing is overseen by the sales and marketing head office in Thailand and implemented by the US sales team. Sales of our products are broken into two main categories:

Purified Ethylene Oxide (PEO) is sold exclusively into the US merchant market. The product is used as a chemical intermediate in the manufacturing of PEO derivatives such as ethanolamines, polyols, ethers and surfactants which are used in the manufacture of agricultural chemicals, rigid and flexible foams, cleaning solvents and the personal care and beauty care industries respectively.

There are currently many pure merchant consumers of PEO in the US and IVOG supplies many of these companies, a testimonial to our reliability and service excellence. IVOG has an approximate 30% of the US merchant market share of PEO sales.

In addition to PEO, the plant manufactures the glycol products, Monoethylene Glycol (MEG), Diethylene Glycol (DEG) and Triethylene Glycol (TEG) through a distillation process. The majority of the yield is MEG.

- IVL's acquisition of the Clear Lake, TX plant was accompanied with a supply MEG agreement with the former owner who consumes MEG for the engine coolant market principally in the US.
- IVL's US Polyester and PET plants consume MEG as a raw material for their products. IVL's US plants have consumptive MEG capacity in excess of the Clear Lake, Texas plants production capabilities, allowing IVL the option to merchant MEG in the US and global markets or consume the MEG on a captive basis.

In 2014 and 2015, 21.7% and 31.0% respectively of our EO/EG were sold to the group and 78.3% and 69.0% respectively of our EO/EG were sold to third party customers.

## Oxide and Glycol Competition

**PEO Competition** – Due to the hazardous nature of PEO, there are no imports or exports of PEO as a product. PEO derivatives are open to import-export. IVOG competes in the US PEO with global competitors, all of which primarily produce PEO to support internal production of PEO derivatives and sell the balance of their capacity to the merchant market. Unlike all of our competitors, IVOG does not produce any PEO derivatives, which competes with our merchant customers businesses.

**Glycols Competition** – The global market for MEG is highly competitive, involving a large number of producers located throughout the world. MEG is easy to transport and store. The US Shale Gas revolution has given the US producers advantaged ethylene as a feedstock material ensuring the US as a low cost region of MEG production. IVL's integration into MEG adds value to US PET and Polyester margin chain. The largest competitors in North America include Shell Chemical, MEGlobal, Equistar and Sabic, along with PEMEX in Mexico. The US is a largely mature consumer of MEG with demand growth driven by new PET capacity and an opportunistic export arbitrage platform based on the advantaged North American ethylene costs associated with shale gas.

## US Olefin Cracker

IVL has acquired an old and mothballed ethylene cracker located in Lake Charles, Louisiana, USA through its subsidiary, Indorama Ventures Olefins LLC. The refurbishment and restart process is ongoing. The plant has an expected commercial startup at the end of 2017. On completion, our integration will expand in North America, as today we are a buyer of ethylene, which will be the product of our US cracker once it is completed.



## Feedstock Production Facilities

The following table sets out the key figures for our feedstock production facilities as of December 31, 2015 (excluding US Gas Cracker as it is under restart process)

| Production Facility                                 | Location                   | Nameplate Capacity <sup>(1)</sup><br>('000 tons per annum) |
|-----------------------------------------------------|----------------------------|------------------------------------------------------------|
| Indorama Petrochem PTA Facility                     | Rayong, Thailand           | 775                                                        |
| TPT Petrochemicals PTA Facility <sup>(2)</sup>      | Map Ta Phut, Thailand      | 602                                                        |
| IRH Rotterdam PTA Facility                          | Rotterdam, the Netherlands | 380                                                        |
| Polyprima <sup>(3)</sup>                            | Indonesia                  | 500                                                        |
| Cepsa PTA Facility                                  | Montreal, Canada           | 600                                                        |
| Indorama ventures (Oxide and Glycol) EO/EG Facility | Texas, USA                 | 550                                                        |
| <b>Total</b>                                        |                            | <b>3,407</b>                                               |

(1) The capacity of plants has been re-rated to reflect the de-bottlenecking projects taken-up by the various plants from time-to-time. However, the capacity does not include non-operating site: Ottana Polimeri S.R.L.

(2) We own a 99.97% equity interest in TPT Petrochemicals

(3) Joint Venture investment is 43% equity interest with IVL

## Competitive Strengths

### 1. Industry Focus and Leading Market Positions

We are a leading global producer in the polyester value chain within the broader petrochemical stream and additionally offer various types of high value-added products. We have maintained a keen focus and commitment to the industry in which we participate. Since 2003, we have significantly sharpened our focus in the polyester value chain through various expansions and acquisitions, the disposal of a non-core chemical business, and by expanding our business portfolio and geographical presence. As a result, we have become a leading vertically integrated global manufacturer of polyester polymers.

We believe that we are one of the few petrochemical companies that focus more on the polyester value chain, compared with other important players who are organized in large divisions that, in turn, consist of many different businesses. We believe that the key advantages of being a focused player are:

- Better understanding of the key success factors for individual businesses;
- More efficient allocation of capital and human talent;
- Ability to make quick management and commercial decisions; and
- Reduction in overheads needed to manage a diverse set of operations and addition of more value due to the similarity of the businesses.

### 2. Global Sales and Manufacturing Footprint

We are a global company with 59 manufacturing facilities located in 20 countries (as of December 31 2015) and across four continents, namely Asia, North America, Europe, and Africa, supplying products to customers worldwide. We are the only PET resin producer with operations in Asia, North America, Europe and Africa.

We believe that our global presence enables us to:

- Capture volume growth;
- Widen our customer base;
- Increase our cost competitiveness by being closer to our customers and suppliers;
- Lower our logistical costs;

- Benefit from averting existing trade barriers; and
- Reduce the exposure to cyclicalities and dependence on any single market.

### 3. Integrated Business Model

Our polyester value chain business is integrated into MEG, PTA, PET resin, polyester fiber and yarn and in packaging at certain location. A significant proportion of our feedstock (PTA+MEG) requirements 49.6% in 2013, 53.2% in 2014 and 48.5% in 2015 for our downstream PET and polyester production facilities are sourced internally.

We believe that the key benefits from integration include:

- Security of feedstock supply for our PET and polyester operations during periods of market fluctuations, specifically in periods of high raw materials demand;
- Captive consumption for our PTA and MEG operations, resulting in the ability to maintain higher capacity utilization as compared to merchant suppliers, even in periods of increased industry supplies

- Cost savings through PTA and PET and polyester site co-locations due to reduction of logistics costs and the sharing of common services; and
- Cost savings through integration due to reduction of fixed costs associated with raw materials procurement, sales and marketing and administrative functions.

We believe that integration enhances our operating efficiency, competitiveness and responsiveness to customers and market developments, as well as allowing stability in volumes and profits.

#### 4. Strong Cost Position

We have maintained an emphasis on cost and efficiency. We believe that we hold a strong cost position in the businesses and regions in which we operate. We believe this is achieved through the following:

We believe we have some of the **largest scale capacity and most efficient** production facilities in the PET resin, Polyester Fibers, HVA products, MEG and PTA industries. We operate the largest single-line PET resin plant in Europe at our Orion Global PET facility in Lithuania, which has a capacity of 274,000 tonnes per annum. We also operate the largest single-line PTA plant in Thailand at our Indorama Petrochem PTA facility, which has a capacity of 771,000 tonnes per annum. We have constructed a new PET resin plant in North America at our AlphaPet PET facility in Alabama, U.S.A., with a capacity of 432,000 tonnes per annum. The AlphaPet PET facility is one of the largest in this region and employs the latest generation PET technology. These large-scale, modern and efficient facilities enable us to achieve a competitive cost position in the industries where economies of scale are critical. In the polyester business, where we focus on the production of niche products, we have invested in fit-for-purpose, flexible assets that are ideally suited for the production of niche and value-added products. The gradual startup in 2014 of our flagship project PT. Indorama Polychem Indonesia (formerly called CP4) for polyester fibers and yarns in Indonesia has provided us more volumes, earnings and cash flows. The operations at the plant have stabilized and 2015 saw financial benefits from this site.

We believe we have **best-in-class manufacturing efficiency**, achieved through running our facilities at high capacity utilization rates with optimal levels of labor, low overhead costs as well as energy and utilities cost savings. We have enhanced our cost competitiveness by building efficient utility plants using coal or gas as feedstock at most of our facilities and, where possible, we sell excess electricity and steam to

third parties to reduce our own cost of electricity and steam. We benchmark all of our facilities against each other in order to optimize performance.

We are able to achieve **advantageous raw material costs** due to our large purchasing volumes, proximity to raw material feedstock and long-term relationships with key suppliers. We benefit from significant buying advantage for PX, PTA and MEG. We are amongst the world's largest buyers of PX and MEG. By being a global producer of polyester polymers, we have an advantage over regional producers of being able to manage MEG procurement on a pan-global basis. We are one of the largest merchant PTA buyers in the U.S. market, which provides enhanced buying advantage. Our plants are well positioned, mainly through co-location or close proximity, for advantaged raw material logistics and infrastructure support.

We have been able to achieve a **low capital cost structure** by constructing large-scale plants and acquiring assets at a discount to their replacement cost. Our efficiency in buying businesses is in our financial statements as a "gain on bargain purchase." This arises if we buy any business below its fair value. An independent appraiser normally calculates fair value of an acquisition.

#### 5. Experienced Management Team with a Proven Track Record of Successfully Growing and Managing the Business

Our management team is composed of highly experienced managers with longstanding leadership experience, as well as significant and diversified industry knowledge.

Our management team has a proven track record of successfully implementing capital-intensive projects to increase our production capacities as well as selecting attractive acquisition opportunities and successfully improving the operations and profitability of acquired businesses.



Pharmaceutical packaging is made from PET film.

## Raw Materials and Suppliers

The two principal raw materials used in the production of the polyester value chain are PX and MEG. However, we also purchase Ethylene to produce MEG in the USA. We also buy PTA at certain locations. Other additives and utilities that we require in our business include acetic acid, isophthalic acid, various catalysts and gases such as nitrogen and hydrogen, but in lower quantities compared to our major raw materials. We purchase these consumables from various suppliers typically under short-term contracts of one year.

### PTA

We have vertically integrated a portion of our PET business and Polyester fibers and yarns to our PTA business to provide reliable and cost effective PTA supplies. Our IRP Rotterdam PET facility and our Indorama Polyester Industries Polyester fibers and yarns line and PET resin line are co-located with our IRH Rotterdam PTA facility and TPT Petrochemicals PTA facility, respectively, while our AlphaPet PET facility is co-located with the PTA production facility of BP with whom we have a long-term offtake

agreements to purchase PTA. Our Poland PET facility is located next door to PKN Orlen PTA facility. Our Asia Pet/Indorama Polymers PET plant in Lopburi, Thailand and Indorama Polyester Industries, Nakhon Pathom facility, Thailand source PTA from Indorama Petrochem and TPT Petrochem plants in Thailand. In Indonesia, our PET and Polyester fibers and yarns facility source PTA from our joint venture unit PT. Polyprima.

### MEG

We purchase MEG, a downstream derivative of ethylene, from large global producers through short-and medium-term contracts at a price linked to benchmark published prices. In order to obtain the best prices for the MEG that we purchase, we source for, and negotiate the prices of, these raw materials through an informal arrangement with the S.P. Lohia Group (which is controlled by our Chairman and his immediate family) and the O.P. Lohia Group (which is controlled by the brother of both our Chairman and our Chief Executive Officer). However, purchase contracts are entered into by the relevant subsidiary company according to such subsidiary's volume and specification requirements. By

being a global producer of polyester polymers, we are able to procure MEG on a pan-global basis. Major MEG suppliers are Sabic, MEGlobal, Shell, PTT Group etc.

### Paraxylene

We are amongst the world's largest buyers of PX. We purchase our PX under long-term contracts with PTTGC, PTT Public Company Limited, Exxon Chemical Thailand Limited etc, typically through long-term contracts. Our Thai PTA plants are able to take delivery of PX either from Thai or international suppliers via their own Map Ta Phut pipeline, which runs directly from the Thai Tank Terminal (our raw material storage services) to their tank yard. In Rotterdam, Netherlands, Europe our PTA facility has its own jetty and Paraxylene arrives by barge. Our Canada PTA plant is sourcing PX from a nearby supplier.

### Ethylene

We are the fourth largest non-integrated buyer of Ethylene in the USA and purchase Ethylene from various suppliers in USA like Exxon, ChevronPhillips Chemical, Ineos etc., and with access to other Ethylene pipelines.

# MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The following MD&A should be read in conjunction with our consolidated financial statements. It includes forward-looking statements reflecting our current views with respect to future events and future performance. Thus, a number of factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as described in our Risk Factors and statements appearing elsewhere.

## Executive Summary

IVL achieved a Core Profit after tax and NCI of Baht 6.5 billion, registering a YoY growth of 33%. Year 2015 saw higher volumes, lower blended taxes with better geographical mix, synergy gains and a change in the product portfolio, which led to a higher core EBITDA thereby registering a growth of 15% YoY. Production volumes were higher 12% YoY, though revenues were lower 4% primarily due to lower absolute prices following the crude oil trend.

Continued economic slowdown in China coupled with very weak and volatile prices of resources has negatively impacted sentiments with cautious buying behavior in both matured as well as emerging markets. IVL management is pleased that the company performance has been satisfactory in the present environment and the company's businesses maintain growth in our volumes, operating rate, Core EBITDA & net profits, and management initiatives have continued to strengthen our business model by technology and intellectual property (IP) based High

Value Add (HVA) portfolio. HVA portfolio comprises various types of products that have a premium margin over pure staple commodities or necessities (normally follows industry margin trends).

## Financial Summary - Core Financials of Consolidated IVL

| THB in Millions                                                                              | 2014(R) <sup>(5)</sup> | 2015           | YoY%        |
|----------------------------------------------------------------------------------------------|------------------------|----------------|-------------|
| <b>Total Production (in '000 tonnes)</b>                                                     | <b>6,249</b>           | <b>7,024</b>   | <b>12%</b>  |
| <b><sup>(1)</sup>Consolidated Sales</b>                                                      | <b>243,907</b>         | <b>234,698</b> | <b>(4)%</b> |
| <i>PET</i>                                                                                   | 145,121                | 131,834        | (9)%        |
| <i>Fibers &amp; Yarns</i>                                                                    | 70,274                 | 73,219         | 4%          |
| <i>Feedstock</i>                                                                             | 64,477                 | 59,960         | (7)%        |
| <b><sup>(2)</sup>Core EBITDA</b>                                                             | <b>19,481</b>          | <b>22,322</b>  | <b>15%</b>  |
| <i>PET</i>                                                                                   | 9,275                  | 8,944          | (4)%        |
| <i>Fibers &amp; Yarns</i>                                                                    | 4,108                  | 6,675          | 62%         |
| <i>Feedstock</i>                                                                             | 6,296                  | 6,655          | 6%          |
| <i>Depreciation</i>                                                                          | (7,898)                | (9,325)        | 18%         |
| <b>Core EBIT</b>                                                                             | <b>11,583</b>          | <b>12,997</b>  | <b>12%</b>  |
| Net Interest                                                                                 | (3,481)                | (3,580)        | 3%          |
| Joint Ventures Income/(Loss)                                                                 | (937)                  | (396)          | (58)%       |
| Total tax income/(expense)                                                                   | (1,625)                | (1,628)        | 0%          |
| <sup>(6)</sup> Add tax impact on Inventory gain/(loss)                                       | (369)                  | (627)          | 70%         |
| Non-controlling interests (NCI)                                                              | (285)                  | (279)          | (2)%        |
| <b>Core Net Profit after Tax and NCI</b>                                                     | <b>4,886</b>           | <b>6,487</b>   | <b>33%</b>  |
| Core EPS before PERP Interest                                                                | 1.01                   | 1.35           | 33%         |
| <b>Core EPS after PERP Interest</b>                                                          | <b>0.99</b>            | <b>1.17</b>    | <b>19%</b>  |
| <sup>(3)</sup> CAPEX and investment                                                          | 13,726                 | 31,737         | 131%        |
| Net Operating Debt                                                                           | 58,013                 | 67,296         | 16%         |
| Net Working Capital Asset (NWC)                                                              | 26,492                 | 26,395         | (0)%        |
| NWC/ Net Operating Debt (%)                                                                  | 46%                    | 39%            | (14)%       |
| <sup>(4)</sup> Total Equity                                                                  | 74,610                 | 82,953         | 11%         |
| <b>Net Operating Debt to Equity</b>                                                          | <b>0.78</b>            | <b>0.81</b>    | <b>4%</b>   |
| <b><sup>(7)</sup>Net Operating Core ROCE<br/>(before JV's and with M&amp;A Annualized) %</b> | <b>8.6%</b>            | <b>9.4%</b>    |             |

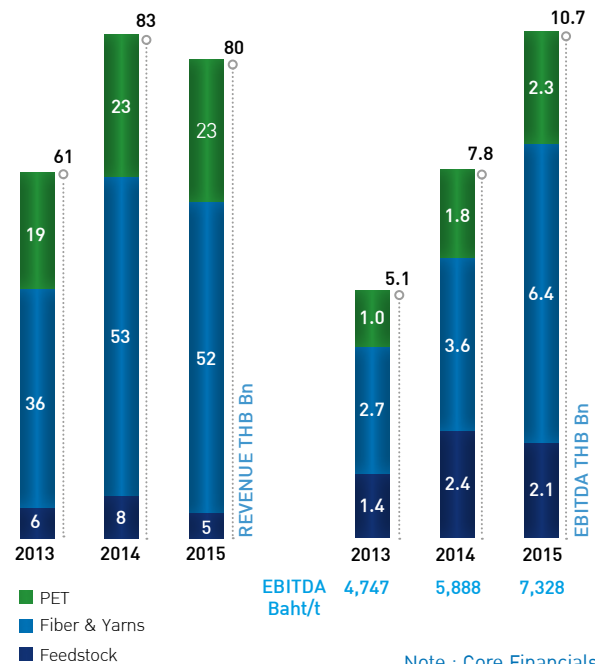
### Note:

- (1) Consolidated financials are based upon elimination of intra-company (or intra business segment) transactions
- (2) Core financials are calculated as reported financials less Inventory gain/ (loss) and less extraordinary items, if any to reflect operations before any extraordinary items. For example Core EBITDA is Consolidated EBITDA less Inventory gain/ (loss). Segments total may not match to IVL due to holdings segment. 2014 EBITDA includes a LOP (loss of profit) Lopburi flooding insurance claim of THB 140 MM.
- (3) CAPEX and investment (including net proceeds from sales of PPE and investments) are on a cash basis as per cash flow statement and also include net debt assumed on acquisitions.
- (4) Includes Subordinated Perpetual Debentures valued at THB 14,874 million.
- (5) Periods with Restated or (R) are restated numbers as per the adoption of new and revised TFRS in 2015
- (6) Tax impact on inventory gain/loss is now being calculated on each entity to present the impact on core basis more appropriately and historical are restated accordingly.
- (7) M&A earnings annualized in ROCE% calculation to present the ratio appropriately and historical are restated accordingly.

## IVL HVA Profile

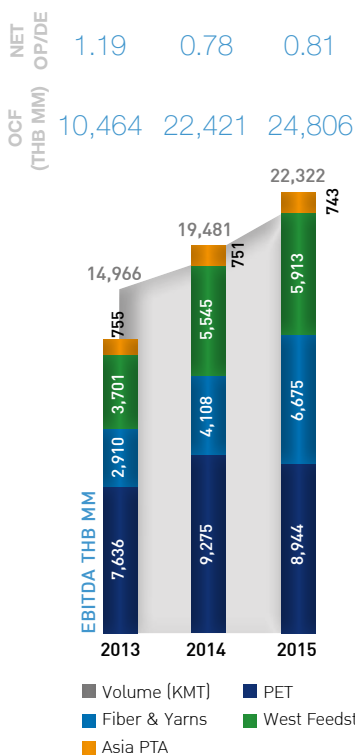
IVL registered Core EBITDA growth of 37% in HVA products in 2015 over 2014. Revenues fell 5% during the period on lower absolute prices. Growth was seen in all five **HVA verticals serving Food & Beverages, Hygiene, Safety, Industrials and Apparel markets.**

In 2015 HVA business contributed 34% of net revenues and 48% of Core EBITDA of IVL. We believe our above-mentioned five HVA verticals, within PET, Fibers & Yarns (F&Y) and Feedstock segments, will remain to provide the company with significant growth opportunities as they follow key industry & consumer trends around environmental awareness, performance, health and safety. We continue to pursue both organic and inorganic expansions to consolidate these HVA businesses and to leverage our scale with a presence in 21 countries globally (including announced Cepsa Spain acquisition). Our acquisition of Europe's only IPA business with Cepsa Spain deal and the NDC business of BP Decatur, USA will expand our HVA product profile once these two deals are completed in 2016.



## IVL's Differentiation Profile

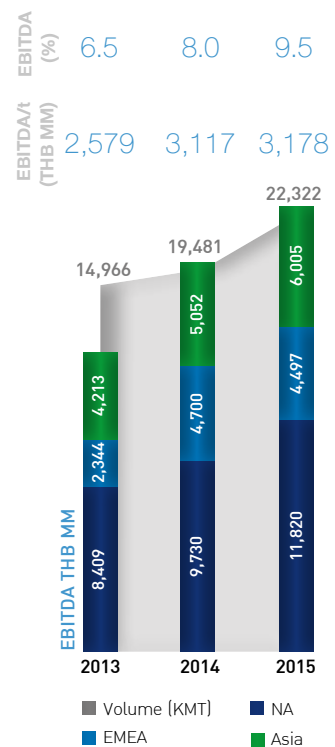
### IVL Differentiated Portfolio



IVL's product profile in necessities continues to be supplemented and strengthened by both integration in its feedstock i.e. in USA and Europe as well as by strategically investing in attractive downstream markets i.e. PET in India and Fiber in Indonesia. PTA in Asia has continued to struggle in last 4 years and has limited IVL on delivery to its full potential. We believe that the lack of new capacity build up in Asia going forward will balance the oversupply as demand continues to grow at its usual pace of ~6% pa, as we know from various industry publications and as per our experience.

Our European business was impacted by lower freight rates and cheaper PET imports especially to Turkey although our overall global portfolio and diversified sources of earnings has differentiated IVL from its peers and has allowed us to sail through the weak and volatile environment. We believe that 2016 will face similar challenges and management has taken actions to further improve our differentiation with selective growth opportunities in the West (North America, Europe, and Middle East & Africa) and by improving our costs through excellence initiatives.

### IVL Differentiated Portfolio



## IVL's Capital Efficiency

| IVL                              | 2013(R)** | 2014(R) | 2015    |
|----------------------------------|-----------|---------|---------|
| Necessities                      | 4,724     | 4,925   | 5,561   |
| HVA                              | 1,080     | 1,325   | 1,463   |
| Production ('000 MT)             | 5,804     | 6,249   | 7,024   |
| <b>Core EBITDA/t (THB)</b>       |           |         |         |
| Necessities                      | 2,083     | 2,372   | 2,086   |
| HVA                              | 4,747     | 5,888   | 7,328   |
| IVL                              | 2,579     | 3,117   | 3,178   |
| <b>Core EBITDA (THB Million)</b> |           |         |         |
| Necessities                      | 9,841     | 11,681  | 11,602  |
| HVA                              | 5,125     | 7,801   | 10,721  |
| IVL                              | 14,966    | 19,481  | 22,322  |
| Core EBIT                        | 8,125     | 11,583  | 12,997  |
| Net Op CE                        | 133,426   | 132,523 | 150,249 |
| *ROCE%                           | 6.4%      | 8.6%    | 9.4%    |
| Core EPs after PERP Interest     | ฿ 0.41    | ฿ 0.99  | ฿ 1.17  |
| Operating Cash Flow              | 10,464    | 22,421  | 24,806  |
| Net Op Debt/Equity Times         | 1.21      | 0.78    | 0.81    |

\* Annualized earnings of the M&A as applicable and exclude JV investments , Note: Net Op CE=Net Operating Capital Employed

\*\*Periods with R are restated numbers as per the adoption of new and revised TFRS. Restated 2013 as well accordingly, though not material.

IVL registered a 3x growth in Core EPS in 2015 over 2013 to Baht 1.17. Management has been able to reduce net operating debt to equity ratio to 0.81 times in 2015 against 1.21 times in 2013. The company's Core EBITDA per ton has grown to Baht 3,178 in 2015 against Baht 2,579 in 2013, a growth @ 11% CAGR while reducing the net debt per operating assets during this period.

HVA business has more than doubled its absolute core EBITDA to Baht 10.7 billion from Baht 5.1 billion in 2013. The scale business in necessity has maintained its EBITDA at Baht 2,086 per ton since 2013 to 2015, though increased the absolute Core EBITDA to Baht 11.6 billion from Baht 9.8 billion in 2013 which reflects a CAGR of 9%.

On a consolidated basis Core EBITDA has grown at a healthy 22% CAGR since 2013.

In line with a healthy growth of our business across geographies and segments, our OCF (Operating Cash Flow) has grown by over two times since 2013 to a record Baht 24.8 billion, a growth CAGR of 54%. This resulted primarily from increased earnings and inflow from working capital on lower prices as

well as gains from operational excellence. IVL completed six acquisitions in 2015 and added 1.6 million tonnes of new capacity, taking the total installed capacity in 2015 to 9.2 million tonnes, including a 400kt p.a. US gas cracker, currently being refurbished. Our net operating debt per tonne of capacity fell from \$234/t in 2014 to \$213/t in 2015, reflecting our disciplined approach to sustainable growth and cost excellence.

Two previously announced M&A deals adding HVA and necessities portfolio are expected to complete in 1H/2016 which shall add capacity of 1.7 million tonnes, thereby taking total installed capacity to 10.9 million tonnes. 2016 is expected to benefit from increased volumes coming from a full year of operations from the acquisitions completed in 2015 and part of the year from acquisitions completed in 2016. Management will continue with its disciplined approach to consolidate and extract synergies from its acquisitions to deliver superior results across cycles.

## Reconciliation of Core Profit after tax and NCI to Reported Net Profit

| THB in Millions                                                     | 2014(R)      | 2015         | YoY%        |
|---------------------------------------------------------------------|--------------|--------------|-------------|
| <b>Core Net Profit after Tax and NCI</b>                            | <b>4,886</b> | <b>6,487</b> | <b>33%</b>  |
| Inventory gain (loss)                                               | (3,522)      | (2,918)      | (17)%       |
| Total tax on Inventory gain/(loss)                                  | 369          | 627          | 70%         |
| <b>Net profit, before extraordinary items</b>                       | <b>1,733</b> | <b>4,197</b> | <b>142%</b> |
| <b>Add: Non Operational/Extraordinary income/(expense)</b>          | <b>(58)</b>  | <b>2,413</b> | <b>-</b>    |
| Acquisition cost & pre-operative expense                            | (126)        | (166)        | 31%         |
| Gain on Bargain Purchases, impairments and feasibility study (Net)* | 506          | 2,637        | 421%        |
| Other Extraordinary Income/(Expense)                                | (438)        | (59)         | (87)%       |
| <b>= Net profit after tax and NCI</b>                               | <b>1,675</b> | <b>6,609</b> | <b>295%</b> |

\*Gain on bargain purchase needs to be accounted for on completion of any acquisition as per Thai Accounting Standards.

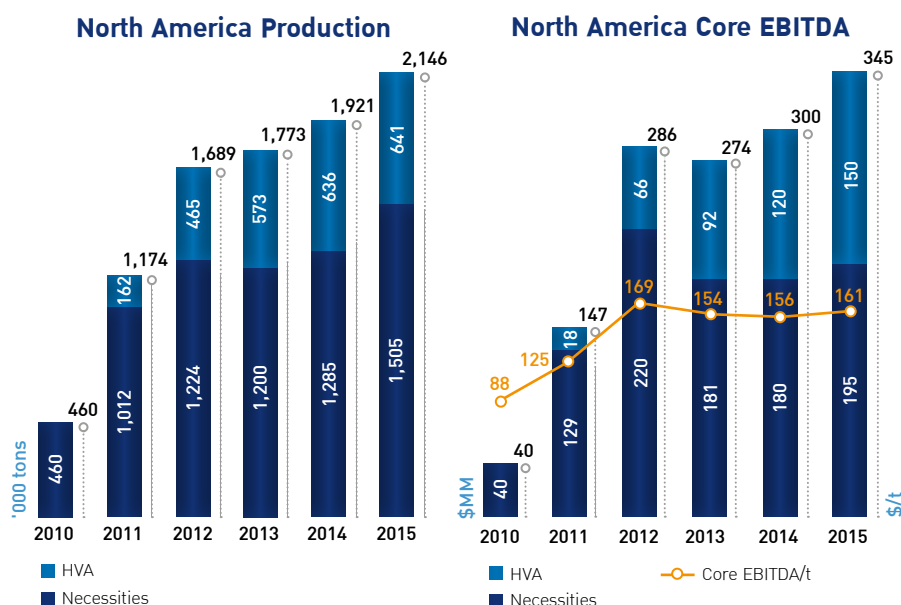
IVL saw a non-cash inventory devaluation of Baht 2.3 billion (tax adjusted) as a result of a rapid fall in prices that was offset by net extraordinary income of Baht 2.4 billion. An inventory gain or loss is calculated notionally every month to reflect the core performance of the business. This gain or loss is calculated on the average inventory during a month and multiplying with the changes in opening and closing inventory value on a tonnage basis. By adjusting this notional gain or loss we can see the core performance of the business. Such gain or loss are accumulated monthly and reported every quarter to get core financials for the quarter. These gain or loss are different than the allowance for decline in value of inventories

as the latter is more an accounting calculation as per the accounting standard, however the notional inventory gain or loss adjustment provides the core business performance.

The Company saw extraordinary income primarily coming from gains on bargain purchase on completed acquisitions of Polyplex, Bangkok Polyester, Cepsa Canada and others as well as some extraordinary expenses incurred on the acquisitions. After adjusting inventory losses and extraordinary income to the Core net profit, IVL achieved a net profit of THB 6.6 billion in 2015 as against THB 1.7 billion in 2014, an increase of 295% YoY.

## Regional Analysis

### North America (NA) Segment



Our hygiene business serves the medical community with fibers for surgical masks, caps and gowns.

Note: Holding companies earnings are allocated to regions and all historical are restated accordingly

| North America        | 2013        | 2014  | 2015  | 2013        | 2014   | 2015   |
|----------------------|-------------|-------|-------|-------------|--------|--------|
| Necessities          | 1,200       | 1,285 | 1,505 | 1,200       | 1,285  | 1,505  |
| HVA                  | 573         | 636   | 641   | 573         | 636    | 641    |
| Production ('000 MT) | 1,773       | 1,921 | 2,146 | 1,773       | 1,921  | 2,146  |
| Core EBITDA/t        | USD         |       |       | THB         |        |        |
| Necessities          | 151         | 140   | 129   | 4,649       | 4,548  | 4,437  |
| HVA                  | 161         | 188   | 234   | 4,937       | 6,112  | 8,024  |
| IVL North America    | 154         | 156   | 161   | 4,743       | 5,066  | 5,508  |
| Core EBITDA          | USD Million |       |       | THB Million |        |        |
| Necessities          | 181         | 180   | 195   | 5,577       | 5,845  | 6,676  |
| HVA                  | 92          | 120   | 150   | 2,831       | 3,884  | 5,144  |
| IVL North America    | 274         | 300   | 345   | 8,409       | 9,730  | 11,820 |
| Core EBIT            | 173         | 192   | 234   | 5,304       | 6,233  | 8,007  |
| Net Op CE            | 1,789       | 1,558 | 1,745 | 58,691      | 51,363 | 62,964 |
| *ROCE%               | 9.8%        | 12.6% | 14.6% | 9.2%        | 12.4%  | 13.9%  |

\* Annualized earnings of the M&A as applicable, holdings allocated and exclude JV investments, Note: Net Op CE=Net Operating Capital Employed, ROCE% is different in US\$ and THB due to average exchange rate for earnings and closing exchange rate for capital employed

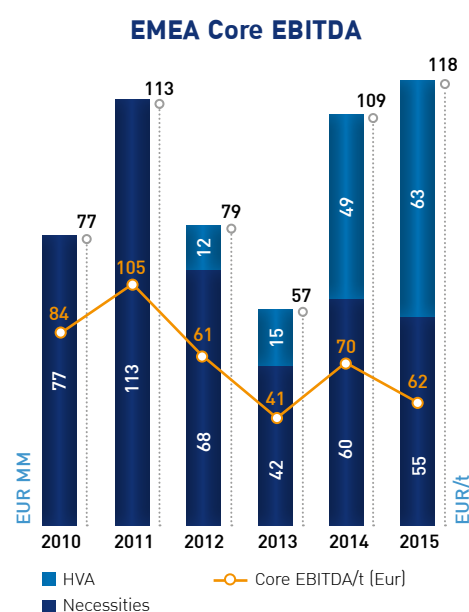
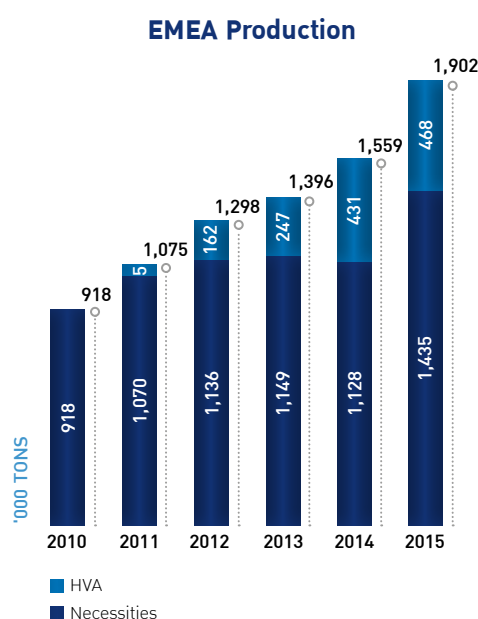
IVL segments in North America continue to benefit from a consolidated and disciplined market place. IVL achieved a YoY volume growth of 12% in 2015 and continues to strategically add and upgrade its portfolio.

The completed acquisition of IVL PTA Montreal in Canada in June 2015, a gas cracker in the State of Louisiana, USA in 3Q15 (startup end 2017) and BP Decatur, Alabama, USA in 2Q16 are the strategic steps in this direction. Post completion of BP Decatur acquisition in 2Q16, IVL will be the fully integrated company in North America.

MEG margins have lowered in 2015 reflecting drop in necessities core EVITA per ton. In the first quarter of 2016, the catalyst change to our EO/EG is ongoing.

Overall our diversified portfolio of necessities and HVA continue to perform according to expectations with superior returns on capital. The company expects to consolidate and extract synergies from the acquired entities during 2016.

## Europe, Middle East and Africa (EMEA) Segment



Note: Holding companies earnings are allocated to regions and all historical are restated accordingly

| EMEA                 | 2013        | 2014  | 2015  | 2013        | 2014   | 2015   |
|----------------------|-------------|-------|-------|-------------|--------|--------|
| Necessities          | 1,149       | 1,128 | 1,435 | 1,149       | 1,128  | 1,435  |
| HVA                  | 247         | 431   | 468   | 247         | 431    | 468    |
| Production ('000 MT) | 1,396       | 1,559 | 1,903 | 1,396       | 1,559  | 1,903  |
| Core EBITDA/t        | EUR         |       |       | THB         |        |        |
| Necessities          | 37          | 53    | 39    | 1,507       | 2,301  | 1,466  |
| HVA                  | 61          | 113   | 134   | 2,477       | 4,882  | 5,116  |
| IVL EMEA             | 41          | 70    | 62    | 1,679       | 3,014  | 2,364  |
| Core EBITDA          | EUR Million |       |       | THB Million |        |        |
| Necessities          | 42          | 60    | 55    | 1,732       | 2,597  | 2,104  |
| HVA                  | 15          | 49    | 63    | 612         | 2,103  | 2,394  |
| IVL EMEA             | 57          | 109   | 118   | 2,344       | 4,700  | 4,497  |
| Core EBIT            | 22          | 65    | 67    | 880         | 2,791  | 2,536  |
| Net Op CE            | 582         | 731   | 696   | 26,214      | 29,287 | 27,447 |
| *ROCE%               | 4.5%        | 9.9%  | 9.6%  | 4.2%        | 9.8%   | 9.1%   |

\* Annualized earnings of the M&A as applicable, holdings allocated and exclude JV investments,

Note: Net Op CE=Net Operating Capital Employed, ROCE% is different in EUR and THB due to average exchange rate for earnings and closing exchange rate for capital employed

2015 has been a challenging year for earnings in the EMEA region and again our diversified portfolio of products allowed us to achieve a ROCE of 9.6% in Euro (12.3% excluding Polyplex PET which was acquired just after construction was completed and is therefore expected to improve once it is fully absorbed in the market place). Our EMEA ROCE is at midpoint of our North American and our Asian portfolio reflecting the fundamental advantages of a North American like market but having to face challenge in necessities from the very low freights and excess PTA capacity in Asia.

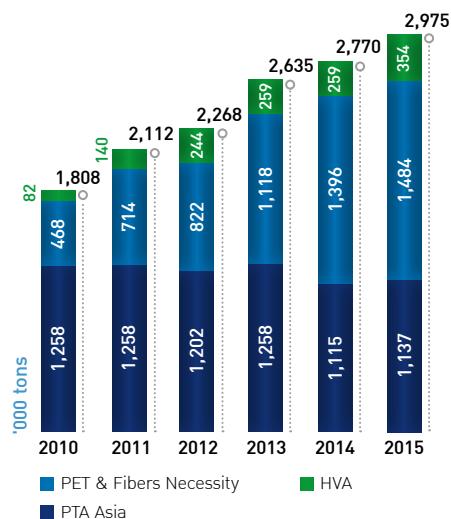
Investments in the HVA business, benefits from IVL's scale and infrastructure and has therefore outperformed throughout the recent period of lower feedstock prices.

Volumes increased 22% YoY in 2015 due to utilization rate increase and new volumes from the acquisition of PHP Fibers and PET in Turkey.

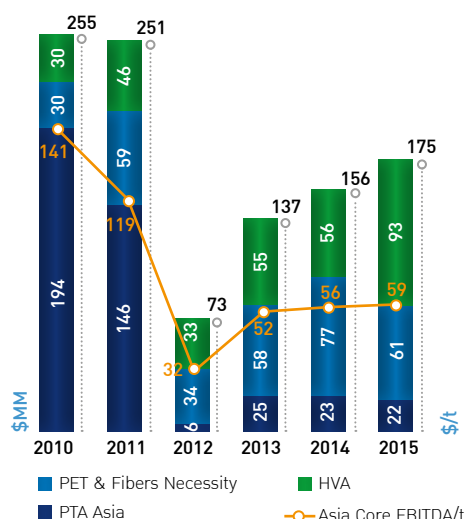
The Rotterdam PTA Brownfield expansion of 330kt per annum will be completed in 2H16, which will help strengthen our cost position and improve our returns. The recent announcement to acquire Cepsa Spain's assets of IPA, PTA and PET will improve IVL's HVA business profile and also help to consolidate the necessities business of PTA and PET. IVL expects to lower its cost position especially the SG&A costs upon completion. The company expects to consolidate and extract synergies with the acquired entities and the brown-field expansion of PTA at Rotterdam.

## Asia Segment

### ASIA Production



### ASIA Core EBITDA



Note: Holding companies earnings are allocated to regions and all historical are restated accordingly

| Asia                 | 2013(R)**   | 2014(R) | 2015   |
|----------------------|-------------|---------|--------|
| Necessities          | 2,376       | 2,511   | 2,621  |
| HVA                  | 259         | 259     | 354    |
| Production ('000 MT) | 2,635       | 2,770   | 2,975  |
| Core EBITDA/t        | THB         |         |        |
| Necessities          | 1,066       | 1,290   | 1,076  |
| HVA                  | 6,491       | 7,014   | 8,990  |
| IVL Asia             | 1,599       | 1,824   | 2,018  |
| Core EBITDA          | THB Million |         |        |
| Necessities          | 2,532       | 3,239   | 2,822  |
| HVA                  | 1,682       | 1,813   | 3,183  |
| IVL Asia             | 4,213       | 5,052   | 6,005  |
| Core EBIT            | 1,941       | 2,559   | 2,455  |
| Net Op CE            | 48,521      | 51,874  | 59,838 |
| *ROCE%               | 4.3%        | 4.2%    | 5.0%   |



\* Annualized earnings of the M&A as applicable, holdings allocated and exclude JV investments, Note: Net Op CE=Net Operating Capital Employed

\*\* Periods with R are restated numbers as per the adoption of new and revised TFRS. Restated 2013 as well accordingly, though not material.

The Necessities business in Asia continues to be impacted by over-capacity, especially in PTA that has continued to be very sluggish for last 4 years. The PET business has recovered in 2H15 from the lows of 2Q15 and is expected to maintain.

Our HVA portfolio in this region continues to perform well and Core EBITDA has significantly grown in 2015 YoY to Baht 3.2 billion and for the first time is larger than our necessities business in the region. The acquisition of Performance Fibers in 2Q15 has expanded the breadth and depth of our HVA product portfolio in Asia that can be seen in the performance of HVA business in the table.

IVL expects to improve Asian Core EBITDA/t by increasing the number/volume of HVA products and by enhancing integration and synergies within IVL businesses such as increasing HVA and Recycling in Thailand while producing the necessities in Indonesia for domestic consumption.

The acquisition of Bangkok Polyester PET in 2Q15 and our maiden entry in India with MicroPet PET plant in 4Q15 are steps to enhance integration and grow in new attractive markets. More PTA is now being captive supplied by our own nearby facilities to improve the logistic costs.

The company expects to consolidate and extract synergies with the acquired entities, shaping our portfolio and continue to improve the ROCE as seen over the last 3 years despite challenging market conditions and slowdown in China.

## Accounting Policy

The accounting policies are adopted and applied consistently to all the periods. For more information on key accounting policies please refer to Note number 3, 4 and 41 of our full year 2015 audited financial statements.

### Emphasis of Matter in Auditors Opinion

There is no qualification by auditors and they have drawn the attention to followings:

- Change in accounting policy for property, plant and equipment related to the manufacture of textiles and related products from 1 January 2015 to be consistent with the accounting policy applied across its business segments. The corresponding figures presented are based on the audited consolidated financial statements as at and for the year ended 31 December 2014, after making the adjustments described in Note 3 – Changes in accounting policies.
- The Group completed the acquisitions of businesses resulting in the recording of goodwill in the consolidated statement of financial position as at 31 December 2015 of Baht 918.4 million and gain on bargain purchases in the consolidated statement of income for the year ended 31 December 2015 of Baht 3,625.7 million. The fair values of the businesses acquired and the allocation of purchase price have been provisionally determined and are subject to potential amendment. Please refer Note 5 – Acquisitions of Businesses in the Audited Financial Statements.

## Performance Comparison

### Business Segments- Key Financial Data

|                                      | 2014          | 2015          | YoY%         |
|--------------------------------------|---------------|---------------|--------------|
| <b>Production (000 tonnes)</b>       | <b>6,249</b>  | <b>7,024</b>  | <b>12%</b>   |
| PET                                  | 3,098         | 3,414         | 10%          |
| Fibers and Yarns                     | 1,148         | 1,315         | 15%          |
| Feedstock                            | 2,004         | 2,295         | 15%          |
| <i>West Feedstock</i>                | <i>889</i>    | <i>1,158</i>  | <i>30%</i>   |
| <i>Asia PTA</i>                      | <i>1,115</i>  | <i>1,137</i>  | <i>2%</i>    |
| <b>Operating rate (%)</b>            | <b>85%</b>    | <b>86%</b>    | <b>0%</b>    |
| PET                                  | 85%           | 84%           | (1)%         |
| Fibers and Yarns                     | 85%           | 90%           | 6%           |
| Feedstock                            | 87%           | 86%           | (0)%         |
| <i>West Feedstock</i>                | <i>96%</i>    | <i>90%</i>    | <i>(6)%</i>  |
| <i>Asia PTA</i>                      | <i>81%</i>    | <i>83%</i>    | <i>3%</i>    |
| <b>Core EBITDA (THB in Millions)</b> | <b>19,481</b> | <b>22,322</b> | <b>15%</b>   |
| PET                                  | 9,275         | 8,944         | (4)%         |
| Fibers and Yarns                     | 4,108         | 6,675         | 62%          |
| Feedstock                            | 6,296         | 6,655         | 6%           |
| <i>West Feedstock</i>                | <i>5,545</i>  | <i>5,913</i>  | <i>7%</i>    |
| <i>Asia PTA</i>                      | <i>751</i>    | <i>743</i>    | <i>(1)%</i>  |
| <b>Core EBITDA/t (US\$/t)</b>        | <b>96</b>     | <b>93</b>     | <b>(3)%</b>  |
| PET                                  | 92            | 76            | (17)%        |
| Fibers and Yarns                     | 110           | 148           | 34%          |
| Feedstock                            | 97            | 85            | (13)%        |
| <i>West Feedstock</i>                | <i>192</i>    | <i>149</i>    | <i>(22)%</i> |
| <i>Asia PTA</i>                      | <i>21</i>     | <i>19</i>     | <i>(8)%</i>  |

Notes: 2014 EBITDA includes LOP Lopburi flooding insurance claim of THB 140 million in PET.

### Revenue from sale of goods

| Baht in Millions                           | FY 2014          | FY 2015          | Change (%)    |
|--------------------------------------------|------------------|------------------|---------------|
| <b>Revenue from sale of goods</b>          | <b>243,907.2</b> | <b>234,697.9</b> | <b>(3.8)%</b> |
| Add: Eliminations                          | 35,964.2         | 30,315.4         |               |
| <b>Adjusted revenue from sale of goods</b> | <b>279,871.5</b> | <b>265,013.3</b> | <b>(5.3)%</b> |
| PET                                        | 145,120.7        | 131,834.0        | (9.2)%        |
| Fibers & Yarns                             | 70,274.0         | 73,218.8         | 4.2%          |
| Feedstock                                  | 64,476.8         | 59,960.5         | (7.0)%        |

Sales revenue for the year ended 2015 was Baht 234,697.9 million, a decrease of 3.8% from 2014 mainly due to lower absolute prices following the crude oil trend, despite an increase in the volumes.

#### PET Revenue

PET revenue for the year ended 2015 was Baht 131,834.0 million, a decrease by Baht 13,286.7 million or 9.2% from 2014, mainly driven by a significant fall in absolute prices in 2015 following the crude oil price trend.

#### Fibers & Yarns Revenue

Fibers & Yarns revenue for the year ended 2015 was Baht 73,218.8 million, increased by Baht 2,944.9 million or 4.2% from 2014, primarily driven by volume growth partially negated by lower absolute prices. The volume growth of 15% from last year generally resulted from increasing in utilization rate and the acquisition of Performance Fibers in 2Q15. Besides, 2015 saw the first full year of operations of PHP Fibers which was acquired in 2Q14.

#### Feedstock Revenue

Feedstock revenue for the year ended 2015 was Baht 59,960.5 million, a decrease of Baht 4,516.3 million or 7.0% from 2014, primarily driven by lower MEG production in 2015 due to practically a month long unplanned shutdown at our EO/EG and its aging catalyst together with significant fall in absolute prices in 2015 following the crude price trend.



Microwave safe packaging is made from our CPET.

## Cost of Sale of Goods

| Baht in Millions                                | FY 2014          | FY 2015          | Change (%)    |
|-------------------------------------------------|------------------|------------------|---------------|
| <b>Cost of sale of goods</b>                    | <b>215,711.7</b> | <b>202,066.2</b> | <b>(6.3)%</b> |
| As a percentage of total revenues               | 88.4%            | 86.1%            |               |
| Add: Eliminations                               | 34,923.8         | 28,093.7         |               |
| <b>Adjusted cost of sales of goods</b>          | <b>250,635.5</b> | <b>230,160.0</b> | <b>(8.2)%</b> |
| PET                                             | 131,031.5        | 117,411.9        | (10.4)%       |
| As a percentage of total PET revenue            | 90.3%            | 89.1%            |               |
| Fibers & Yarns                                  | 62,048.9         | 62,189.9         | 0.2%          |
| As a percentage of total Fibers & Yarns revenue | 88.3%            | 84.9%            |               |
| Feedstock                                       | 57,555.1         | 50,558.2         | (12.2)%       |
| As a percentage of total Feedstock revenue      | 89.3%            | 84.3%            |               |

Our cost of sales for the year ended 2015 was Baht 202,066.2 million, a decrease of Baht 13,645.5 million or 6.3% from 2014 which is in line with the decrease in sales revenue.

### PET Cost of Sale of Goods

For the year ended 2015, PET cost of sale of goods was Baht 117,411.9 million, a decrease of Baht 13,619.6 million or 10.4% from 2014, in line with the decrease in sales revenue together with a significant fall in absolute raw material prices in 2015 following the crude oil price trend.

### Fibers & Yarns Cost of Sale of Goods

For the year ended 2015, Fibers & Yarns cost of sale of goods were Baht 62,189.9 million, slightly increased by Baht 141.0 million or 0.2% from 2014, resulted from the volume growth in the HVA products with the acquisition of Performance Fibers in China.

### Feedstock Cost of Sale of Goods

For the year ended 2015, Feedstock cost of sale of goods was Baht 50,558.2 million, a decrease of Baht 6,996.9 million or 12.2% from 2014, in line with decrease in sales revenue together with a significant fall in absolute raw material prices in 2015 following crude oil prices.

## Gross Profit

| Baht in Millions                                | FY 2014         | FY 2015         | Change (%)   |
|-------------------------------------------------|-----------------|-----------------|--------------|
| <b>Gross Profit</b>                             | <b>28,195.5</b> | <b>32,631.7</b> | <b>15.7%</b> |
| As a percentage of total revenues               | 11.6%           | 13.9%           |              |
| Add: Eliminations                               | (1,040.5)       | (2,221.7)       |              |
| <b>Adjusted gross profit</b>                    | <b>29,236.0</b> | <b>34,853.4</b> | <b>19.2%</b> |
| PET                                             | 14,089.3        | 14,422.1        | 2.4%         |
| As a percentage of total PET revenue            | 9.7%            | 10.9%           |              |
| Fibers & Yarns                                  | 8,225.0         | 11,028.9        | 34.1%        |
| As a percentage of total Fibers & Yarns revenue | 11.7%           | 15.1%           |              |
| Feedstock                                       | 6,921.7         | 9,402.3         | 35.8%        |
| As a percentage of total Feedstock revenue      | 10.7%           | 15.7%           |              |

Gross Profit for the year ended 2015 was Baht 32,631.7 million, an increase of Baht 4,436.2 million or 15.7% from 2014. The gross profit margin of 13.9% in 2015 increased slightly from the prior year mainly due to a change in the product mix towards higher value-addition.

### PET Gross Profit

For the year ended 2015, PET gross profit was Baht 14,422.1 million, increased by Baht 332.9 million from 2014. PET gross profit margin in 2015 was 10.9%, a marginal increase YoY due to lower prices whereas the margins did not fall in line with the revenues.

### Fibers & Yarns Gross Profit

For the year ended 2015, Fibers & Yarns gross profit was Baht 11,028.9 million, increased by Baht 2,803.9 million from 2014. Gross profit margin in 2015 was 15.1%, increased from the prior year mainly due to strategically added HVA product portfolio by acquisition of PHP Fibers in 2Q14 and Performance Fibers in 2Q15 which contributed higher margins to IVL and lower absolute prices.

### Feedstock Gross Profit

For the year ended 2015, Feedstock gross profit was Baht 9,402.3 million, increased by Baht 2,480.6 million from 2014. Gross profit margin in 2015 was 15.7%, increased from the prior year partially due to higher margin in the EOEG business and lower absolute prices, despite lower profits in PTA Asia as negatively impacted by force majeure announced by PX supplier in Thailand (supplies regularized by end of December 2015). Further the margins did not fall in line with the revenues.

### \*Spread or Raw Material Margins

| Amount in US\$ per MT                     | FY 2014 | FY 2015 |
|-------------------------------------------|---------|---------|
| <b>Industry spread</b>                    |         |         |
| Asia PET                                  | 142     | 117     |
| West PET (50:50 - North America : Europe) | 248     | 211     |
| <b>IVL spread</b>                         |         |         |
| Asia PET                                  | 187     | 162     |
| West PET (IVL Actual Mix)                 | 282     | 242     |
| <b>Industry spread</b>                    |         |         |
| Asia PTA                                  | 87      | 95      |
| West PTA (50:50 - North America : Europe) | 231     | 214     |
| <b>IVL spread</b>                         |         |         |
| Asia PTA                                  | 113     | 101     |
| West PTA (IVL Actual Mix)                 | 260     | 218     |

\*Selling price less raw material consumption

IVL normally gets minor premium over the industry margins due to its volume and vast global presence. Actual geography capacity mix in IVL also impacts the IVL margin when compared with the industry.

### Earnings before Interest Expenses, Income Taxes, Depreciation & Amortization (EBITDA)

| Baht in Millions                                | FY 2014         | FY 2015         | Change (%)   |
|-------------------------------------------------|-----------------|-----------------|--------------|
| <b>EBITDA<sup>(1)</sup></b>                     | <b>15,959.3</b> | <b>19,404.8</b> | <b>21.6%</b> |
| Add: Inventory loss/(gain) <sup>(2)</sup>       | 3,522.0         | 2,917.6         |              |
| <b>CORE EBITDA</b>                              | <b>19,481.3</b> | <b>22,322.5</b> | <b>14.6%</b> |
| As a percentage of total revenues               | 8.0%            | 9.5%            |              |
| Add: Eliminations and others <sup>(3)</sup>     | 197.8           | [48.3]          |              |
| <b>Adjusted CORE EBITDA</b>                     | <b>19,679.2</b> | <b>22,274.2</b> |              |
| PET                                             | 9,274.6         | 8,943.9         | (3.6)%       |
| As a percentage of total PET revenue            | 6.4%            | 6.8%            |              |
| Fibers & Yarns                                  | 4,108.4         | 6,674.8         | 62.5%        |
| As a percentage of total Fibers & Yarns revenue | 5.8%            | 9.1%            |              |
| Feedstock                                       | 6,296.1         | 6,655.5         | 5.7%         |
| As a percentage of total Feedstock revenue      | 9.8%            | 11.1%           |              |

- (1) EBITDA is calculated from sales revenue adding net foreign exchange gain (loss) and other income, then deducting cost of sales, selling & administrative expenses (excludes depreciation & amortization), management benefits expenses, and adjusting by extraordinary items.
- (2) Inventory gain (losses) are the gains or losses on the inventories that IVL carries every month, due to the movement in the prices of finished products and raw materials following market movements.
- (3) Eliminations and others include the amounts attributable to intra-group transactions and the EBITDA of holding companies.



*Our polyester is used to make conveyor belts in the food manufacturing industry.*

CORE EBITDA for the year ended 2015 was Baht 22,322.5 million, an increase of 14.6% from 2014 Baht 19,481.3 million. Core EBITDA is defined as EBITDA plus Inventory loss/ (gain).

#### PET Core EBITDA

PET Core EBITDA for the year ended 2015 was Baht 8,943.9 million, a slightly decrease of 3.6% from 2014 Baht 9,274.6 million. PET operations performed weaker due to drop in PET margin but were partially offset by the increased mix of HVA into the portfolio. Core EBITDA margin remained flat YoY at around 6.8% in 2015 on lower absolute prices.

#### Fibers & Yarns Core EBITDA

Fibers & Yarns Core EBITDA for the year ended 2015 was Baht 6,674.8 million, an increase of 62.5% from 2014 Baht 4,108.4 million. It grew in 2015 primarily due to higher volume and the expansion of the HVA products portfolio since the acquisition of PHP Fibers and Performance Fibers. This primarily helped improve the Core EBITDA margin to 9.1% in 2015 in a lower price environment.

#### Feedstock Core EBITDA

Feedstock Core EBITDA for 2015 was Baht 6,655.5 million, which increased by 5.7% from Baht 6,296.1 million in 2014. Feedstock Core EBITDA margin in 2015 was 11.1% as against 9.8% in 2014. Such increase was driven by a higher margin in EOEG business and lower absolute prices.

## Other Revenues

| Baht in Millions                 | FY 2014        | FY 2015        | Change (%)   |
|----------------------------------|----------------|----------------|--------------|
| Interest Income                  | 71.6           | 166.7          | 132.8%       |
| Net foreign exchange gain (loss) | 375.4          | 48.5           | (87.1)%      |
| Gain on a bargain purchase       | 1,669.9        | 3,625.7        | 117.1%       |
| Impact of flooding, net          | 140.0          | -              | (100.0)%     |
| Other income                     | 1,572.8        | 1,594.8        | 1.4%         |
| <b>Total</b>                     | <b>3,829.6</b> | <b>5,435.6</b> | <b>41.9%</b> |

## Interest Income

Interest Income for the year ended 2015 was Baht 166.7 million, increased by Baht 95.1 million or 132.8% from 2014. This was mainly due to an increase in current investment during the year.

## Net foreign exchange gain (loss)

There was a net foreign exchange gain for 2015 of Baht 48.5 million, a decrease from 2014 by Baht 326.9 million or 87.1%. This was primarily due to IVL's disciplined approach to hedging the receivables and payables. Also currency volatilities are hedged in a natural way due to our geographical presence, for example US\$ assets are hedged naturally against the US\$ liabilities. Generally Thai baht currency depreciation is beneficial to a global company like IVL as there is a gain on overseas investments, which goes into Translation Reserves in the Shareholders Equity.

## Gains on bargain purchases

During 2015, IVL acquired several businesses where the excess of the Group's interest in the net identified assets and liabilities of the companies acquired over cost (recognized values are higher than the consideration transferred) are considered to be gains on bargain purchases, and recognized in the consolidated statement of income in accordance with generally accepted accounting principles for business combinations. A valuation of net identified assets acquired and liabilities assumed is calculated every time to arrive at recognized values. Fair value adjustments are the difference between the carrying amount and the recognized value. In 2015, IVL had gains on bargain purchases of Baht 3,625.7 million. The following details are given:

| Baht in Millions                                            | Net identified assets acquired and liabilities assumed |                        |                   |                       | Recognized values | Total Consideration | Gain on a bargain purchase |
|-------------------------------------------------------------|--------------------------------------------------------|------------------------|-------------------|-----------------------|-------------------|---------------------|----------------------------|
|                                                             | Carrying amounts                                       | Fair value adjustments | Recognized values | Interest acquired (%) |                   |                     |                            |
| Companies acquired during the years ended December 31, 2014 |                                                        |                        |                   |                       |                   |                     |                            |
| PHP Fibers GmbH, Germany                                    | 5,507.8                                                | (32.8)                 | 5,475.0           | 80%                   | 4,380.0           | 3,292.9             | 1,087.1                    |
| Artenius Turkpet Kimyevi Maddeler Sanayi A.S., Turkey       | 987.7                                                  | 365.5                  | 1,353.1           | 100%                  | 1,353.1           | 770.3               | 582.8                      |
|                                                             |                                                        |                        |                   |                       |                   |                     | 1,669.9                    |
| Companies acquired during the years ended December 31, 2015 |                                                        |                        |                   |                       |                   |                     |                            |
| Polyplex Resins San. ve Tic. A.S., Turkey                   | 267.5                                                  | 144.4                  | 411.9             | 100%                  | 411.9             | 210.2               | 201.7                      |
| Performance Fibers Holdings Finance, Inc., USA              | 3,340.7                                                | 1,991.7                | 5,332.3           | 100%                  | 5,332.3           | 6,250.7             | -                          |
| Bangkok Polyesters Public Company Limited, Thailand         | 1,468.6                                                | 818.6                  | 2,287.2           | 99%                   | 2,263.8           | 1,356.2             | 907.6                      |
| CEPSA Chimie Montréal s.e.c, Canada                         | 13,285.5                                               | (2,833.9)              | 10,451.6          | 100%                  | 10,451.6          | 7,992.7             | 2,458.9                    |
| Micro Polypet Private Limited, India                        | 83.0                                                   | 148.3                  | 231.2             | 100%                  | 231.2             | 173.8               | 57.5                       |
|                                                             |                                                        |                        |                   |                       |                   |                     | 3,625.7                    |

A gain on bargain purchase is considered by management as an extraordinary item which does not arise from the normal operation of the business, but is included in the net profit of the company. Additional information on each acquisition is provided in Note 5 – Acquisitions of Businesses in the Audited Financial Statements. Net identifiable assets acquired including intangible assets i.e. customer contracts, technology licenses and knowhow, trade names and trademarks, were all recognized in the financial statements at fair value, and subject to depreciation, amortization or impairment (If any) in accordance with generally accepted accounting principles, as disclosed in Note 4 – Significant accounting policies in the Audited Financial Statements.

IVL's management expertise and business model allows us to buy companies most of the times at below its fair value as determined by an appraiser. Hence we need to record the gain on bargain purchase. These gains are recorded in property plant and equipment or intangibles or other assets as applicable.

### Impact of flooding, net

In 2014, an insurance claim from flooding in Lopburi in 2011 was Baht 140 million. All insurance claims related to flooding, were received in 2014.

### Other Income

Other income for the year ended 2015 was Baht 1,594.8 million, no significant change from 2014.



*One of our high value-added products is hygiene fibers for feminine care.*

## Expenses

| Baht in Millions            | FY 2014 (R)     | FY 2015         | Change (%)   |
|-----------------------------|-----------------|-----------------|--------------|
| Selling expenses            | 11,139.6        | 12,443.5        | 11.7%        |
| Administrative expenses     | 5,397.4         | 6,736.5         | 24.8%        |
| Management benefit expenses | 90.2            | 112.9           | 25.2%        |
| <b>Total</b>                | <b>16,627.2</b> | <b>19,292.9</b> | <b>16.0%</b> |

Total expenses for the year ended December 31, 2015 was Baht 19,292.9 million, increased from year 2014 by Baht 2,665.7 million or 16.0% as a result of higher spending on selling and administrative expenses in line with our volume growth and inflation factors. Moreover, IVL has made a provision of Baht 609.7 million in administrative expenses against advance payments for cost relating to Abu Dhabi project as the project was put to an end by IVL due to strategic reasons.

Management benefit expenses increased slightly due to a rise in wages and salaries. Please refer to Note 31 – Employee benefit expenses of the Audited Financial Statements for further details on this item.

## Finance Costs

Finance costs for the year ended 2015 was Baht 3,652.1 million, a slightly increase by Baht 97.6 million from 2014 that was in line with a slightly increase in both short-term and long-term debt.

## Share of loss of jointly-controlled entities, net

IVL had share of loss from joint venture of Baht 242.2 million and Baht 1,356.1 million for the year ended 2015 and 2014 respectively. A significant decrease in share of loss from joint venture was due to the mothballing of UAB Ottana Polimeri Europe. Please refer Note 13 – Investment in joint ventures in the Audited Financial Statements for further details on this item.

## Income Tax Expense

Income tax expense for 2015 was Baht 1,880.8 million, an increase of Baht 255.4 million from 2014. This was in line with an increase in earnings in 2015.

## Net Profit

| Baht in Millions                  | FY 2014 (R)    | FY 2015        | Change (%)    |
|-----------------------------------|----------------|----------------|---------------|
| <b>Net profit</b>                 | <b>1,960.5</b> | <b>6,888.4</b> | <b>251.4%</b> |
| As a percentage of total revenues | 0.80%          | 2.94%          |               |
| Profit attributable to:           |                |                |               |
| Owners of the Company             | 1,675.1        | 6,609.3        | 294.6%        |
| Non-controlling interests         | 285.4          | 279.1          | [2.2]%        |

Net Profit for the year ended December 31, 2015 was Baht 6,888.4 million, an increase of Baht 4,927.9 million or 251.4% from 2014 due to higher earnings as explained above. Please refer to the explanation of EBITDA above for more details. The net profit for the period included extraordinary items i.e. gains on bargain purchases, acquisition costs and related transaction expenses incurred on acquisitions completed. These non-recurring items are not from the normal operation of business.

## Financial Position

The company looks at financial position of various businesses at the group level, hence closely monitor the changes in financial position at the group level. An analysis of financial position is presented below:

### Total Assets

As of December 31, 2015 and 2014, IVL had total assets of Baht 221,640.6 million and Baht 194,533.7 million, respectively. The increase of 13.9% was mainly due to the growth of business from expansions and acquisitions. Major assets are as follows:

### Trade Accounts Receivable

As of December 31, 2015 and 2014, IVL reported trade accounts receivable of Baht 27,499.6 million, and Baht 26,203.0 million respectively, representing 12.4% and 13.5% of total assets. The company has continued to improve and control its debt management. Each subsidiary takes responsibility to set up and monitor their allowance for doubtful accounts by focusing on the amount of over 12 months overdue in order to ensure that the allowance is adequate. Allowance for doubtful accounts is in a narrow low range due to this close follow up and collections on time. Aging analysis for trade accounts receivable was as follows:

|                                       | Consolidated financial statements |                   |
|---------------------------------------|-----------------------------------|-------------------|
|                                       | December 31, 2014                 | December 31, 2015 |
|                                       | (Baht in Millions)                |                   |
| <b>Related parties</b>                |                                   |                   |
| Within credit terms                   | 1,682.2                           | 664.3             |
| Overdue:                              |                                   |                   |
| Less than 3 months                    | 108.3                             | 564.7             |
| 3-6 months                            | 1.0                               | 0.0               |
| <b>Net</b>                            | <b>1,791.4</b>                    | <b>1,229.0</b>    |
| <b>Other parties</b>                  |                                   |                   |
| Within credit terms                   | 21,154.5                          | 21,915.5          |
| Overdue:                              |                                   |                   |
| Less than 3 months                    | 3,039.4                           | 3,350.2           |
| 3-6 months                            | 148.3                             | 740.2             |
| 6-12 months                           | 51.5                              | 235.7             |
| Over 12 months                        | 141.8                             | 164.1             |
|                                       | <b>24,535.5</b>                   | <b>26,405.7</b>   |
| Less: allowance for doubtful accounts | (123.9)                           | (135.1)           |
| <b>Net</b>                            | <b>24,411.6</b>                   | <b>26,270.6</b>   |
| <b>Total</b>                          | <b>26,203.0</b>                   | <b>27,499.6</b>   |

## Inventories

As of December 31, 2015 and 2014, IVL reported inventories of Baht 31,785.6 million and Baht 29,141.1 million respectively, representing 14.3% and 15.0% of total assets. This increase was in line with the expansion and business growth in 2015.

### Investment in jointly ventures

As of December 31, 2015 and 2014, IVL reported investment in jointly-controlled entities of Baht 1,962.4 million and Baht 1,941.9 million, respectively, representing 0.9% and 1.0% of total assets. The decrease resulted from share of loss of jointly-controlled of Baht 242.2 million in 2015 mainly due to lower PTA margin and higher inventory losses.

## Property, plant and equipment (PPE)

As of December 31, 2015 and 2014, IVL reported property, plant and equipment of Baht 120,365.6 million and Baht 97,822.5 million, respectively, representing 54.3% and 50.3% of total assets. The slight increase in property, plant and equipment resulted from six acquisitions and ongoing Rotterdam PTA expansion. Please refer to Note 15 – Property, Plant and Equipment of the Audited Financial Statements for further details on this item.

PET segment saw an increase of 20% in its PPE in 2015 over 2014 to Baht 44,733.2 million. This was primarily due to acquisition of Polyplex Turkey, Bangkok Polyester and MicroPet India in 2015.

Fibers & Yarns segment saw an increase of 22% in its PPE in 2015 over 2014 to Baht 34,603.2 million. This was primarily due to acquisition of Performance Fibers and small investments at the existing plants in 2015

Feedstock segment saw an increase of 27% in its PPE in 2015 over 2014 to Baht 40,950.4 million. This was primarily due to acquisition of Cepsa Canada and US Gas Cracker in 2015 together with the ongoing expansion of PTA at our Rotterdam site.

### Other Intangible Assets

As of December 31, 2015 and 2014, IVL reported intangible assets of Baht 13,581.2 million and Baht 11,126.9 million, respectively, representing 6.1% and 5.7% of total assets. The increase resulted from acquisition of business in 2015 especially Performance Fibers e.g. technology licenses and knowhow, customer contracts and relationship, trade name and trademark. IVL record the additional intangible asset on the acquisitions, as fair value which was appraised by independent appraiser was higher than the acquisition price.

### Loan to related parties

IVL has given certain loan to related parties as per Note 6 – Related parties in the Audited Financial Statements. There are given for various strategic reasons and as on December 2015, these amounts are not material. IVL believe that the companies whom these are given to are in a healthy position to refund the same to IVL.

### Total Liabilities

As of December 31, 2015 and 2014, IVL reported total liabilities of Baht 138,687.7 million and Baht 119,924.1 million, respectively. The increase in total liabilities resulted from increase in loans from financial institutions, issuance of debentures, and higher trade accounts payable which were all in line with the growth of the volumes from business expansions and acquisitions.

### Trade accounts payable

As of December 31, 2015 and 2014, IVL had trade accounts payable of Baht 31,149.0 million and Baht 27,764.2 million respectively. This was in line with the growth of the volumes from business expansions and acquisitions. The payment days for the year ended 2015 and 2014 were 50.9 days and 43.3 days respectively. IVL was able to get extended credits from its suppliers as its volume increased in 2015 over 2014.

### Interest-bearing liabilities

As of December 31, 2015 and 2013, IVL reported interest-bearing liabilities of Baht 73,293.6 million and Baht 85,266.1 million respectively, representing 37.5% and 45.1% of total liabilities and shareholders' equity. The details of Interest-bearing liabilities are as follows:

|                                                                  | Consolidated Financial Statement |                   |
|------------------------------------------------------------------|----------------------------------|-------------------|
|                                                                  | December 31, 2014                | December 31, 2015 |
|                                                                  | (Baht in Millions)               |                   |
| <b>Current</b>                                                   |                                  |                   |
| Bank overdrafts and Short-term loans from financial institutions | 8,581.0                          | 12,115.0          |
| Net current portion of long-term loans                           | 4,426.2                          | 2,118.2           |
| Current portion of debentures                                    | -                                | 2,898.0           |
| Current portion of finance lease liabilities                     | 8.3                              | 8.4               |
|                                                                  | <b>13,015.6</b>                  | <b>17,139.6</b>   |
| <b>Non-current</b>                                               |                                  |                   |
| Long-term loans from financial institutions                      | 32,757.6                         | 34,140.3          |
| Debentures                                                       | 27,499.0                         | 32,310.0          |
| Finance lease liabilities                                        | 21.4                             | 16.4              |
|                                                                  | <b>60,278.0</b>                  | <b>66,466.6</b>   |
| <b>Total</b>                                                     | <b>73,293.6</b>                  | <b>83,606.3</b>   |

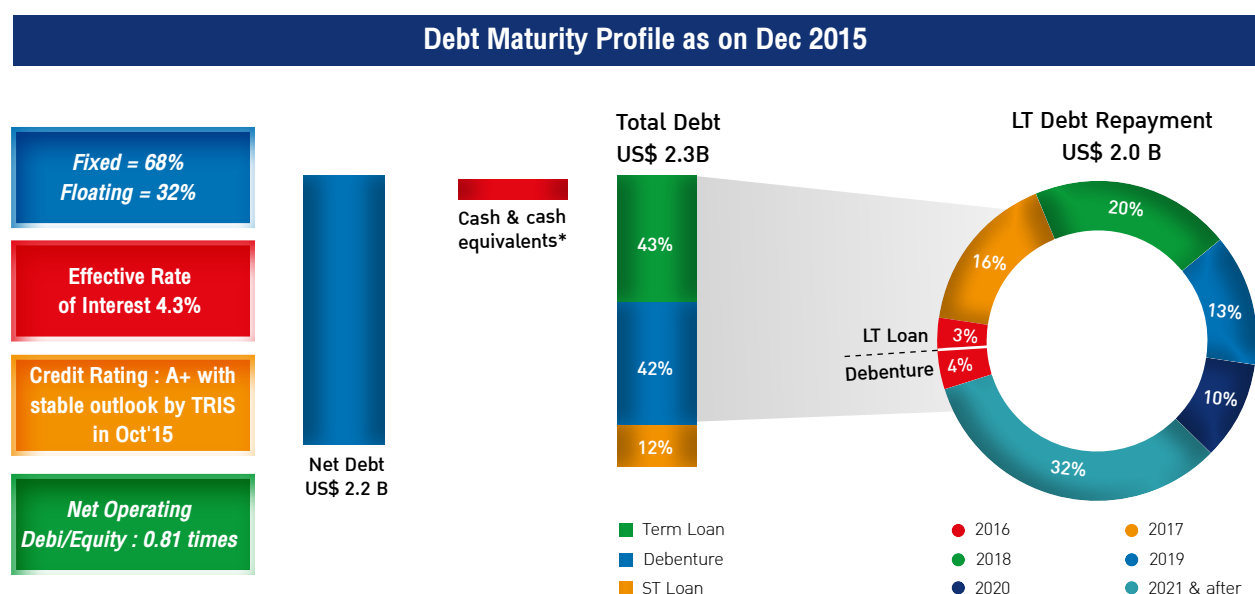
Our net operating debt to equity remain at 0.8 times at the end of year 2015 and 2014, after spending on capex and investments of US\$ 926 million in 2015. IVL net operating debt increased from US\$ 1,760 million at end of December 31, 2014 to US\$ 1,865 million at the end of December 31, 2015, mainly due to the payment of the acquisitions in 2015.

The table below provides movement of total debt and net operating debt in US\$ millions:

| US\$ in Millions                                   | 2014         | 2015         |
|----------------------------------------------------|--------------|--------------|
| <b>Total Debt</b>                                  | <b>2,224</b> | <b>2,317</b> |
| Bank overdraft and short-term loans                | 260          | 336          |
| Long term debt (Current portion)                   | 135          | 59           |
| Debentures (Current portion)                       | -            | 80           |
| Long term debt (Non-current portion)               | 994          | 946          |
| Debentures (Non-current portion)                   | 834          | 895          |
| <b>Cash &amp; Cash under management</b>            | <b>323</b>   | <b>118</b>   |
| Cash and cash equivalents                          | 164          | 90           |
| Current investments and loans given                | 158          | 29           |
| <b>Net Debt</b>                                    | <b>1,901</b> | <b>2,198</b> |
| <sup>(1)</sup> Non-operating Debt (Project Debt)   | 141          | 334          |
| <b>Net Operating Debt</b>                          | <b>1,760</b> | <b>1,865</b> |
| Net debt to equity (times)                         | 0.8          | 1.0          |
| Net operating debt to equity (times)               | 0.8          | 0.8          |
| Debts with fixed interest %                        | 58%          | 68%          |
| Credit Rating by TRIS (Reaffirmed in October 2015) | A+           | A+           |
| <b>Liquidity</b>                                   | <b>1.6</b>   | <b>1.4</b>   |
| Unutilized credit line (US\$ billions)             | 1.2          | 1.3          |
| <b>Financial Ratios</b>                            |              |              |
| Current ratios (times)                             | 1.5          | 1.2          |
| Debt Servicing Coverage Ratio (DSCR) times         | 2.1          | 2.3          |
| Interest coverage ratio (times)                    | 4.6          | 5.4          |

Note <sup>(1)</sup> Net debt after debt for capex and investments which are not generating revenue and earnings as on date

The graph below provides repayment schedule of long-term debt and debentures in US\$ billions;



\* Includes Current investments & Loans given

\*\* Include Interests only on short term and long term debts

## Shareholders' equity

As of December 31, 2015 and 2014, IVL reported shareholders' equity of Baht 82,953.0 million and Baht 74,609.6 million, respectively. The increase in shareholders' equity was mainly due to an increase in retained earnings resulting from the profitability of the company, net of dividends paid and the translation reserve increase from the translation gain of overseas investments due to weaker Thai baht in 2015 over 2014. Please refer to "Statement of Changes of Equity" in the Audited Financial Statements for more details on this item.

## Cash Flow

IVL generated Baht 24,806.1 million of cash flow from operating activities in 2015 compared to Baht 22,421.5 million in 2014 due to improvement in its performance and inflow of net working capital on lower absolute prices following the crude oil trend.

Cash flows used in investing activities of Baht 21,299.5 million in 2015 were primarily paid towards the acquisition of Polyplex, Performance Fibers, Bangkok Polyester, Cepsa Canada and US Cracker. The capex and investments have been funded by a mix of long term loans and cash flow from operations.

Cash flows used in financing activities of Baht 5,607.5 million in 2015 were principally a result of interest paid and dividends paid during 2015. In contrast, there were cash flows provided by financing activities from cash proceeds of issuance debentures, and short- and long-term loans net of repayment, used to support business growth.

## Liquidity

Strong cash flow from operations and longer average loan maturity led to a high liquidity position in the company. As at December 2015, IVL has a liquidity of US\$ 1.4 billion, in the form of cash and cash under management, plus unutilized banking credit lines. The high liquidity provides us greater flexibility in business operations and to finance accretive growth opportunities.

## Key Financial Ratios

### Current Ratio

Our current ratio is calculated by dividing total current assets by total current liabilities. The current ratio stands at 1.2 times at the end of 2015, decreased from 1.5 in 2014. This is primarily due to higher cash & cash under management in year 2014, which was subsequently used in 2015 on various acquisitions and higher short-term loans in 2015.

### Return on Equity Ratio (ROE)

Our ROE ratio is calculated by dividing our profit attributable to owners of the company for the period by the average of the total equity attributable to equity holders of the Company. IVL achieved a return on equity (ROE) of 10.8% and 2.9% in 2015 and 2014, respectively. In addition, IVL achieved core ROE of 8.9% in 2015 comparing to 7.8% in 2014, that is, increased significantly by 13.3%. The ROE increased in line with core net profit growth.

### Return on Assets Ratio (ROA)

Our ROA ratio is calculated by dividing profit for the period by the average total assets. For the year ended 2014 and 2013, our ROA ratio was 3.3% and 1.0%, respectively. In addition, IVL achieved core ROA of 3.1% in 2015 compared to 2.6% in 2014, representing a 22.0% increase. The ROA increased in line with core net profit growth.

### Debt to Equity Ratio (D/E)

Our D/E ratio is calculated by dividing total liabilities by total shareholders' equity. As of December 31, 2015 and 2014, our D/E ratio was at 1.7 times and 1.6 times respectively. Our Net Interest Bearing Debt to Equity Ratio is calculated by dividing our interest-bearing liabilities-less cash and cash equivalents by total shareholders' equity. As of December 31, 2015 and 2014, our net interest bearing debt to equity stands at 1.0 times and 0.8 times respectively. The Company raised in cash through the issue of debentures and additional long-term loans from financial institutions, which was used in acquisitions, ongoing expansions and working capital needs. However the debt covenant for most of the debts is net debt to equity of at least 2 times.

### Debt Servicing Coverage Ratio (DSCR)

Our DSCR is calculated by dividing core EBITDA by annual interest and principal payments on debt. As of December 31, 2015 and 2014, our DSCR was at 2.3 times and 2.1 times respectively. The DSCR increased in line with core EBITDA growth which indicated that operations-generated income is sufficient to cover outstanding debt payments during the year. However the debt covenant for most of the debts is DSCR of at least 1.1 times.

# INDORAMA VENTURES

## POTENTIAL RISK FACTORS



### Risk monitoring and control mechanism at IVL:

IVL has an Enterprise Risk Management framework that uses both top-down and bottom-up approaches to identify and manage business risks at all levels at both corporate and subsidiary levels across the globe to identify and mitigate business risks at every level. This is led by the Board, the Committee and senior management. This covers the assessment and review of internal and external risks, including global risks and factors that may affect the company's operations. Respective business heads, who are also members of the Sustainability and Risk Management Committee, as well as Members of Business Core Committees, closely monitor key business risks and ensure adequate preventive measures and controls for mitigation. All significant risks identified are analyzed, recorded and reported. The risk management report together with the risk mitigation plan is reviewed quarterly by the various committees at the business segment and plant level. In addition, the Sustainability and Risk Management Committee reviews a sensitivity analysis of the business plan, Greenfield and M&A projects to ensure sustainability, especially the environmental and social impacts to business operations.

### Emerging Business Risks

#### Climate Change Risk

Climate change has potentially serious implications for business. The impact of climate change is expected to become more severe in the future. These risk could be regulatory, reputational, physical or changes in consumer preferences.

IVL has studied the likely impact. As and when the risk threatens to exceed threshold limits under internal guidelines, they are escalated to a business level committee consisting of executive directors of the Board.

The management has nominated one senior staff member at corporate level who will report to all concerned, including the Sustainability and Risk management Committee (SRMC) which in turn reports to the Board.

IVL has 59 production sites in 20 countries (as of December 2015). Depending upon the scope of changes in regulations post COP 21 agreement execution, IVL could be directly and/or indirectly affected either through increased carbon taxes or cap and trade schemes.

Risk may arise from extreme weather; reputation related to consumer demands for more climate-friendly products with reduced GHG intensity.



IVL can mitigate by continuing to communicate that the GHG intensity of our products is not significant when compared to companies in other chemical, fertilizer and other highly polluting industries.

Changing consumer preferences for climate-friendly products and technologies may impact us. We will continue to lower our carbon footprint to mitigate such demand.

#### **Risk Mitigation Actions:**

IVL has increased its focus on efficiency improvement, adherence to GHG reduction goals and targets as defined and disclosed. Other risk mitigation measures taken include:

- Our membership of Project Mainstream, a global initiative to accelerate innovation and help develop a circular economy..
- Lightweighting of bottles
- Increased focus on renewable (solar and wind) energy
- Strategic move to be in close proximity to our customers to avoid supply chain risks
- Post-consumer waste recycling
- Usage of bio-based raw materials
- Lifecycle assessment and analysis of our products to embrace emission reduction measures, including innovation to produce more environmentally-friendly products and process.

#### **Increasing Business and International Operations**

IVL is a global business conglomerate and our expansion into new countries, businesses and products exposes us to a variety of potential existing and emerging risks, many of them beyond our control, like political, social or economic developments increase in terrorist and antinational or communal activities and changes in legislation, regulations and standards.

#### **Risk Mitigation Actions:**

- IVL makes a sensitivity analysis, risk analysis, due diligence of every business opportunity before a decision is being taken by the Board and management to benefit from opportunities and reduce the risk of instability.

- We continuously and closely monitor the political, economic and legislative conditions of each country threats from antinational and terrorist activities, safety and security employees and assets of the company and business opportunity.
- All significant investments, and the countries and industry segments in which IVL conducts its business, are evaluated before a decision is taken.

#### **Other Business Risks**

*We operate in highly competitive industries and the actions of our competitors could impact our profitability and market share.*

The industries in which we operate are characterized by price and other competition. The majority of our products are commodities - necessities - with a growing number of high value-added (HVA) products, and it may be difficult to have product differentiation and pass on increased costs to customers. Other competitive factors include product quality, specifications or product performance, continuity and reliability of supplies to customers and sustaining long-term customer relationships. We compete with large multinational companies in each of our business segments as well as with numerous regional and/or specialized producers in the markets for our polyester fiber products. Margin pressure could arise from, for instance, limited demand growth and overcapacity in a market. An example is China, whose domestic demand for PET resin or PTA may fall short of current capacity increases; then there are price reductions by competitors, new industry players, industry consolidation and the ability of competitors to capitalize on their economies of scale and create excess product supply

*How continuous demand growth of the PTA, the Oxide and Glycols, the PET resin, the Polyester fibers and yarns and the Non-Polyester fibers and yarns industries could result in overcapacity*

Our operating results reflect the historical cyclical pattern of the PTA, MEG, PET resin, Polyester fibers and yarns and Non-Polyester fibers and yarns industries, with periodic overcapacity and resulting pressure on pricing. This cyclicity arises, in part, from investments made at the top of the cycle (when margins are high and funds are available), thereby shifting the balance of supply to demand as new capacity comes on-stream in large quantities. The industry has, from time to time, experienced periods of overcapacity, such as when new plants become operational, and there can be no assurance that this will not recur in future. In the absence of sufficient economic growth to generate increased demand, or the closure of facilities to mitigate the effect, new capacity causes a period of regional or global overcapacity often leading to downward margin pressure.

*Our international presence naturally exposes us to various challenges such as macro-economic, political, legal and regulatory risks.*

International operations present challenges related to operating under different business cultures and languages. We may experience increased difficulty in the collection of accounts receivable, including longer collection periods; we may have to comply with inconsistent, or unexpected changes in, foreign laws and regulatory requirements which could negatively impact our operations and ability to manage our global financial resources; export controls or other regulatory restrictions could prevent us from shipping our products into and from some markets or promoting local sourcing of raw materials, could have an adverse effect on our production costs; changes in currency control, tax regulation and international tax treaties could impact the financial performance of our international operations and their contributions to our overall financial performance. Similarly, events beyond our control, such as political instability or social unrest, could impact consumer demand in general and increase volatility in the price of raw materials and other costs. Similarly, the imposition of duty on imports or anti-dumping duties in a particular country might affect our margins adversely.

*We may not be able to protect our intellectual property rights and should we infringe the intellectual property rights of others, it could impact us adversely.*

Fibers and Yarns (both Polyester and non-Polyester) and PET resins operate in industries where our competitors have substantial intellectual property portfolios. The continued success of this business depends on our ability not only to protect our own technologies and trade secrets, but also to develop and sell new products that do not infringe upon existing patents or threaten existing customer relationships. Intellectual property litigation is very costly and could result in substantial expense and diversions of our resources, both of which could adversely affect our businesses and financial condition and results. In addition, there may be no effective legal recourse against infringement of our intellectual property by third parties, whether due to limitations on enforcement of rights in foreign jurisdictions or as a result of other factors. An unfavorable outcome in any intellectual property litigation could have a materially adverse effect on financial conditions and results of operations in Fibers and Yarns business and to a lesser extent in PET resins.

*Our business could be affected by an information technology system failure.*

We rely on information technology (IT) systems to handle our businesses. Any system failure for longer period due to computer viruses, internal or external security breaches, power interruptions for longer period, hardware failures, fire, natural

disasters, human error, or other causes could disrupt our operations and prevent us from being able to process transactions with our customers, operate our manufacturing facilities, prepare internal MIS reports and properly report those transactions in a timely manner. A significant, protracted IT system failure may result in a materially adverse effect on our financial condition, operational results, or cash flows.

*Crude oil price volatility affects the valuation of inventory and the capital employed distorting the reported performance to that extent.*

Volatility of crude oil prices bring the risk of marked down or up of inventories that we carry at any point and can adversely or positively impact our reported performances. Similarly our reported capital employed might also be affected as working capital requirement changes with the movement in our products or raw material prices which normally follow the crude oil prices trend.

*Similarly, Natural Gas price volatility affects the cash conversion costs in many countries where we operate. Volatility of natural gas prices can adversely affect or benefit if it goes up or down as we consume natural gas for our energy uses at various locations.*

### **Risk Mitigating Actions:**

The losses or gains due to mark to market of our inventories are largely mitigated by cash inflow or outflow respectively in our net working capital as the requirement in value terms goes down or up as the prices goes down or up.

### **Production Risk**

*Our operations are dependent on the availability and cost of raw materials*

Our operations are fundamentally dependent on the availability and cost of our primary raw materials: PTA (limited to merchant purchases primarily in USA) and MEG for our PET and Polyester fiber and yarn businesses, PX for our PTA business, Ethylene for our Oxide and Glycols business, other type of raw materials for our Non-Polyester fibers and yarns business and recyclable bottles and flakes for our recycling business. PTA and MEG are oil and natural gas derivatives, which are usually manufactured



by large petrochemical companies. Thus, the costs of production of PTA, MEG, PET, Polyester and Non-Polyester are affected by the international and domestic prices of crude oil, natural gas and refined petroleum products. Our financial condition and operational results are thereby influenced by market prices for crude oil, natural gas and refined petroleum products, which are then subject to the forces of international, regional and domestic supply and demand, as well as other factors beyond our control.

The markets and prices for petroleum products may be influenced by aggregate demand for such products (which can fluctuate with changes in economic conditions and cycles, seasons and weather patterns), the level of domestic and regional production, the prices and availability of imports, the prices and availability of substitute fuels and the extent and nature of governmental regulation and taxation. Worldwide supply conditions and the price levels of crude oil may also be significantly influenced by international groupings, which control the production of a significant portion of the worldwide supply of crude oil, and by political developments. In addition, factors such as domestic and foreign government regulations, weather conditions, and competition from other energy sources also have an impact on crude oil and petroleum product prices.

Any increase in raw materials costs without a corresponding increase in selling price would reduce our operating results. Our ability to pass on raw materials price increases is dependent upon market conditions and our relative cost position compared to competitors. There may be periods of time in which we may not be able to fully recover increases in the cost of raw materials due to contractual arrangements or to weaknesses in demand for, or oversupply of, our products.

However, the Company intends to acquire its main raw materials, PX and Ethylene, mainly by entering into supply agreements with suppliers. The Company is able to secure volume and purchases at monthly market prices for ability to pass through prices to customers. In year 2014 the Company entered into supply agreements for partial PX and Ethylene requirements. The balance was purchased from spot markets at market prices.

*Increases in our costs could adversely affect our operating results*

We are unable to influence commodity prices directly, thus our competitiveness and long-term profitability are, to a significant degree, dependent upon our ability to reduce costs and maintain low-cost and efficient operations. Not being able to maintain our cost structure and efficiently operate our manufacturing facilities may increase our costs and adversely affect our operating results. Certain non-controllable costs may increase by reason of external factors beyond our control, which may

also reduce our operating results. Examples of non-controllable costs are energy costs, insurance costs, tax costs, pension costs etc.

*Our ability to pass on increases in our costs to customers is dependent upon market conditions.*

In addition, production in our fibers and yarns business is labor intensive. Consequently, inflationary pressures, changes in applicable laws and regulations or other factors might result in increased labor costs.

Shortages or disruptions of supplies to our customers due to unplanned production capacity decreases or shutdowns of production plants may reduce sales

Production at our manufacturing facilities or delivery of supplies to our customers could be adversely affected by technical failures, force majeure, strikes, natural disasters, regulatory rulings and other factors. Unexpected events, such as manufacturing problems, unplanned shutdowns or loss of supplies, could lead to reduced sales.

If the capacity of one or more material facilities is reduced or the manufacturing of material products is shut down for a prolonged period and we are unable to shift sufficient production to other plants, or draw on inventories, or, unable to run our production facilities at our typical utilization rates because of a disruption to our raw material supplies, we may not be able to fulfill our product delivery obligations and we could be exposed to claims for damages and suffer reputational harm.

The company has insurance policies that cover damage to inventories, property, plant and equipment and loss from business interruption caused by accidents and natural disasters. Additionally, the company has invested in fixed assets that protected potential vulnerable areas from natural disasters. For instance, an extra-high wall has been constructed at our Lopburi facility in Thailand to protect from floods. In addition, the company has diversified geographically to mitigate the risk of disruption from natural disasters or unexpected events which may impact one plant. The company has multiple plants to serve its customers.

*Our production facilities are subject to operating risks that may adversely affect our operations*

We are dependent on the continued operation of our production facilities. These production facilities are subject to hazards associated with the manufacturing, handling, storage and transportation of chemical materials and products, including pipeline leaks and ruptures, explosions, fires, inclement weather and natural disasters, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, remediation complications, chemical spills, discharges or releases of toxic or hazardous substances or gases, storage tank

leaks and other environmental risks. These hazards can cause personal injury and loss of life, severe damage to, or destruction of, property and equipment, environmental damage, fines and liabilities.

In addition, some of our production facilities, such as our AlphaPet PET facility, our IRP Rotterdam PET and IRH Rotterdam PTA facilities, our Indorama Polyester Industries' Map Ta Phut polyester facility, our TPT Petrochemicals PTA facility, our Indorama PET Nigeria Limited, our Guangdong IVL PET Polymer Company Limited, our Indorama Ventures Poland Sp.z.o.o., our IVL Adana PET and others are co-located at sites where our neighbors face the same operational risks and, in some cases, they provide critical supplies and/or services, and any disruption in those supplies and/or services could affect our operations.

## Management Risk

The costs and difficulties of integrating future acquired businesses and technologies could impede our future growth and adversely affect our competitiveness

As part of our strategy, we may seek further growth through acquisitions of other PET, Fibers and Yarns, Oxide and Glycols or PTA or other products in our value chain in order to maintain a competitive position within the industries in which we operate and to enhance our position in our core areas of operations. This strategy entails risks including:

- unidentified or unanticipated liabilities or risks in the operations of the companies which we may acquire;
- potential failure to achieve the economies of scale, synergies or other benefits sought;
- greater than expected costs and management time and effort involved in completing and integrating the acquisitions;
- inability to successfully integrate the services, products and personnel of the acquisitions into our operations or to realize any expected cost savings or other synergy benefits from the acquisitions;
- inability to retain employees, customers and supplier relationships;
- lack of return on our investment.

We may not be able to identify attractive acquisition opportunities or make acquisitions on attractive terms, or obtain financing necessary to complete and support such acquisitions. Regulation of merger and acquisition activity by the European Union, the United States, Thailand or other national regulators may also limit our ability to make future acquisitions or mergers.

*The Indorama name is used by other companies that we do not control*

The 'Indorama' wordmark belongs to Lohia Global Holdings Limited, a company controlled by Mr. M.L. Lohia, the original founder of the Indorama brand and father of both our Vice Chairman and Chairman. IVL has non-exclusive license for its use pursuant to a License Agreement with Lohia Global Holdings Limited and pays royalty fee to Lohia Global Holdings Limited for the use of 'Indorama' wordmark under the above said agreement. The businesses of two siblings, the S.P. Lohia Group in Indonesia and the O.P. Lohia Group in India also use the Indorama wordmark. We neither control nor know how the S.P. Lohia Group and the O.P. Lohia Group uses the Indorama wordmark and cannot assure you that their actions will not adversely impact the reputation associated with the Indorama wordmark. However IVL differentiates itself and presents the company as Indorama Ventures Group listed and is headquartered out of Thailand.

*The risk of a shareholder group that holds the majority of outstanding shares*

Lohia family holds around 67% of outstanding shares and can control voting results on significant agenda items.

## Financial Risk

*Significant capital investments including future development of new facilities have been, and may in the future continue to be, necessary to achieve our growth plans, which carry project and other risks*

Our growth plans have required, and may continue to require, significant capital investments to expand, renovate, convert or upgrade existing facilities, develop new facilities or make major acquisitions or investment. Projects that require significant capital expenditure carry risks including:

- failure to complete a project within the prescribed project timetable and/or within budget; and
- failure of the project to perform according to prescribed operating specifications following its completion.

In addition, any significant increases in costs unforeseen in the project plan and any inability to sell the products produced at volumes and/or price levels envisaged in the project plan could affect the success of our projects. Due to the significant amount of capital required and the long lead time between planning and completion of such projects, project delays could have an effect on our business and prospects.

Acquisitions can provide meaningful opportunities to grow our business and improve profitability. Acquired businesses may not achieve expected levels of revenue, profit or productivity, or otherwise perform as we expect. Acquisitions involve special risks, including, without limitation, diversion of management's time and attention from our existing businesses, the potential

assumption of unanticipated liabilities and contingencies and potential difficulties in integrating acquired businesses and achieving anticipated operational improvements. While our strategy is to acquire businesses that will improve our competitiveness and profitability, acquisitions may not be successful or accretive to earnings.

*Exchange rate and/or interest rate fluctuations may have a significant adverse impact on our business, financial condition, results of operations and prospects*

As a result of the global nature of our business, changes in foreign currency rates could have an adverse impact on our business, financial condition, results of operations and prospects. Currency fluctuations affect us because of mismatches between the currencies in which operating costs are incurred and those in which revenues are received. We sell products that are typically priced by reference to prices in U.S. dollars or Euros, while a portion of operating costs are incurred in local currencies, including the Baht, Pound Sterling pound, Lithuanian Litas, Mexican Peso, Chinese Yuan, Indonesia Rupiah, Polish Zloty, Nigerian Niara, Turkish lira, Indian Rupee and others.

Our reported earnings may also be affected by fluctuations between the Baht, which is our reporting currency, and the non-Baht currencies in which some of our overseas subsidiaries report their results of operations.

In order to minimize currency risks, the company primarily utilizes forward exchange contracts with maturities of less than one year to hedge certain financial assets and liabilities denominated in foreign currencies and our operating subsidiaries usually borrow in the principle currency. Generally, the long term loans are borrowed on floating interest rates and are linked to the benchmark interest rates for each currency. The floating interest rates are impacted by macro-economic conditions and the monetary policy of each region. Interest rate risk is the risk that future movements in market interest rates will affect the results of the company's operations and its cash flows. However, the company has mitigated the risk by using derivative financial instruments, principally interest rates swaps, contracting a fixed interest rate and the issuance of debentures including Perpetual Debentures in the Thai Bond market, to manage exposure to fluctuations in interest rates on borrowings. Further there is a natural hedge to large extent where foreign currency liabilities are supported by same currency assets wherever possible.

Credit risk is also the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the company as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain

amount. Further, we do take credit insurance in specific regions to cover credit risk. Our exposure to credit risk is represented by the carrying amount of the receivables in the Statement of Financial Position.

The company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's/Company's operations and to mitigate the effects of fluctuations in cash flows.

*The Company is a holding company and is dependent on the receipt of dividends to make dividend payments on our shares*

As a holding company, the Company is dependent on the receipt of dividends from its subsidiaries and associated companies, the payment of which will depend on their future financial performance, which in turn depends on successfully implementing their strategies and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices for their products and other factors specific to their respective industries or specific projects, many of which are beyond our control.

The subsidiaries have dividend policies to pay not over 80% of net profit after tax and legal reserve. However, the board of those subsidiaries will approve dividend paid from time to time by considering some factors i.e., cash reserved for loan repayment, expansion investment or support the cash flow of the company in case of impact by market condition change. The ability of our direct and indirect subsidiaries to pay dividends to their shareholders, including the Company, is subject to applicable law. Although we intend to pay dividends with respect to the shares, our ability to pay dividends in the future will depend upon a decision of the Board of Directors and/or the approval of the shareholders at a general meeting, our results of operations, cash flows, financial condition, contractual restrictions and restrictions imposed by applicable law and other factors the Board of Directors deems relevant.



#### *The risk that the Company cannot comply for debt covenant*

As the Company has loans from financial institutions and issued debentures of Baht 32 billion, IVL needs to comply with debt covenants, which in most cases are a net debt to equity ratio of not over 2:1. As of December 31, 2015, Net Debt to equity ratio was 0.96:1. There are other covenants also and there could be a risk of not complying with the same in case of a significant deterioration in the financial position and/or performance of the company, however, the Company's financial position as at December 31, 2015 is favorable in regard to all covenants.

### **Other Risks**

#### *Indorama Petrochem PTA Facility may have adverse effect on our business*

Lawsuit regarding improvement of project to increase production efficiency and improve the air pollution treatment system

On June 19, 2009, the Stop Global Warming Association and a number of other people living in Map Ta Phut, Ban Chang and Muang District, Rayong Province (the "Claimants") filed a lawsuit in the Thai Central Administrative Court (the "CAC") against various Thai governmental entities and Ministers (the "Respondents"). This lawsuit requests the CAC to render a judgment ordering the Respondents to revoke the environmental impact assessment reports (the "EIA Report") and to revoke their approvals of projects or activities required to prepare the EIA Report that are located in Map Ta Phut, Ban Chang and the surrounding area in Rayong Province, Thailand. The lawsuit alleges that 76 projects in such areas may cause serious impact on the community with regard to the quality of environment, natural resources and health. One of the projects named in the lawsuit is the improvement of project to increase production efficiency and improve the air pollution treatment system of Indorama Petrochem PTA facility, which was approved by the Minister of Industry.

On September 2, 2010, the CAC issued the judgment revoking the permission granted to the projects or activities which may cause serious impact on the community with regard to the quality of environment, natural resources and health and which have not completely complied with the provision of Paragraph two of Section 76 of the Constitution. According to the judgment, the project of Indorama Petrochem is not classified as a project for which permission to operate the projects is revoked.

However, on October 1, 2010, the Claimants filed an appeal to the Supreme Administrative Court (the "SAC") requesting the SAC to reverse the judgment of the CAC and not to rely on the Notification of the Ministry of Natural Resources and Environment, and to rule that the Respondents must revoke the environment impact assessment reports and permission granted to the projects or activities which have been approved or obtained

from August 24, 2007 onwards until the study and assessment of impact on the quality of environment and health has been completed as required by the Constitution. On December 7, 2010, the Respondents submitted the statement of defense against the appeal of the Claimants. As of December 2015, the SAC has not yet issued the judgment on this case.

During the appeal proceedings, since the project of Indorama Petrochem is not within a project in which the permission is revoked by the CAC, Indorama Petrochem therefore can operate the business of the PTA facility. However, the Company cannot ensure that the court proceedings and the judgment to be rendered by the SAC will not cause an impact on the project of Indorama Petrochem to the extent that the permission will be revoked or the construction of buildings or the business operation of Indorama Petrochem will be suspended. Indorama Petrochem's plant has never been affected by this lawsuit and the operation of the plant is continuing normally.

#### *Lawsuit regarding improvement of the project to improve the reverse osmosis (RO) system*

On March 10, 2010, the Claimants filed a lawsuit in the CAC against the Respondents. This lawsuit requests the CAC to render a judgment ordering the Respondents to revoke the EIA Report and to revoke their approvals of projects or activities required to prepare the EIA Report that are located in Map Ta Phut, Ban Chang and the surrounding area in Rayong Province, Thailand. The lawsuit alleges that 9 projects in such areas may cause serious impact on the community with regard to the quality of environment, natural resources and health. The Claimants also requested that the CAC suspend any current activities of such projects, activities or operations of applicants or owners because they may have breached relevant procedures specified under the Constitution and other relevant laws, including the commissioning of a HIA Report, the holding of a public hearing and the hearing of opinions from independent environmental organizations, prior to operating such projects or activities. One of the projects named in the lawsuit is the improvement of the project to improve the reverse osmosis (RO) system of Indorama Petrochem PTA facility, which was approved by the Minister of Industry.

On February 28, 2011, the CAC issued an order dismissing the petition for an injunction of the Claimants on the grounds that the facts claimed by the Claimants are not sufficient to issue a court injunction and there is no evidence to prove that the Claimants will be damaged by the operation of the projects. At present, the CAC has not yet issued the judgment on this case. The operation of the plant is continuing normally.

As of 31 December 2015, there is no material litigation against the Company or its subsidiaries which could have a negative effect on our assets exceeding 5% of shareholder's equity. In

addition, there is no lawsuit, which could have a significant effect on our business. However, the following litigations could have an adverse effect on the respective subsidiaries of the Company, the impact of which cannot be estimated.

#### **Lawsuits against our subsidiaries**

*Jay Easler Litigation in United States District Court for the District of South Carolina against several entities including Auriga Polymers Inc. ("Auriga"), and Indorama Ventures USA LLC<sup>1</sup> ("IVLUSA")*

On January 7, 2014 Jay Easler, on behalf of himself and a proposed class, filed an action in the United States District Court for the District of South Carolina against Hoechst Celanese Corporation, HNA Holdings, Inc., CNA Holdings, Inc., Hercules, Inc., Ashland, Inc., Hystron Fibers, Inc., Messer Greishiem, Inc., Arteva Specialties S.a.r.l d/b/a/ "KoSa", Johns Manville Corporation, INVISTA S.a.r.l d/b/a "INVISTA", Teijin Monofilament U.S., Inc., Teijin Holdings USA, Inc., Auriga Polymers Inc., Indorama Ventures USA, Inc.

The defendants are alleged to have owned or conducted industrial operations at the property on which Auriga Polymers Inc., currently operates on Dewberry Road, Spartanburg, South Carolina (the "Site"). The Complaint alleges that discharges on the Site beginning in the 1970s and through 2008, at least, created a plume of contamination that migrated off-site and contaminated the property of plaintiff and a class of all homeowners within a 2 mile radius of the Site.

However, the Complaint is a general allegation that all owners have routinely discharged into the adjoining creek during the period from 1970 to 2008, which occurred before Auriga Polymers purchased the Site on March 1, 2011.

Under a November 11, 2010 Purchase and Sale Agreement with INVISTA, Auriga has indemnification for certain Excluded Liabilities and Buyer Indemnifiable Liabilities.

Most of the discharges occurred while Hoechst Celanese Corporation or its successors ("Celanese") operated on the Site. Auriga has asserted an indemnification demand, and will pursue its indemnification rights with INVISTA and insurance coverage for its costs of defense in the litigation and any liability found against it. On December 22, 2014, the Plaintiff's counsel proposed a settlement offer to the defendants. As of October 26, 2015, the settlement agreement between the parties was under review.

Given the lack of allegations of discharges during Auriga's ownership and the absence of any discovery, it is impossible at

this time to determine whether Auriga will be found liable and, if so to what degree. It is unlikely that this action will order a cessation of plant operations.

*Changes in laws and regulations relating to beverage containers and packaging could reduce demand for such end use products – Product Risk*

Legal requirements have been enacted in various jurisdictions in the United States and elsewhere requiring that deposits or certain eco-taxes or fees be charged for the sale, marketing and use of certain non-refillable beverage containers. Other proposals relating to additional beverage container deposits, recycling, eco-tax and/or product stewardship have been or may be introduced in various jurisdictions in the United States and elsewhere. Consumers' increased concerns and changing attitudes about solid waste streams and environmental responsibility and related publicity could result in the adoption of such legislation or regulations. This has encouraged some of our PET customers to reduce the amount of PET resin they use in their bottle production process. This process, known as light weighting, has reduced the amount of PET resin used in each bottle and has impacted the demand for PX, PTA and PET resin. PET can be recycled; IVL has made investments in PET recycling projects in the Mexico, USA, Europe and Thailand.

*Environmental regulations may cause us to incur costs and liabilities*

Our operations are subject to environmental laws and regulations by central and local authorities in the countries in which we operate. These include laws and regulations pertaining to pollution, the protection of human health and the environment, air emissions, wastewater discharges, occupational safety and health, and the generation, handling, treatment, remediation, use, storage, release and exposure to hazardous substances and wastes. These requirements are complex, subject to frequent change and have tended to become more stringent over time. We have incurred, and will continue to incur, costs and capital expenditures in complying with these laws and regulations and in obtaining and maintaining all necessary permits.

We have procedures in place to allow us to comply with environmental laws and regulations; however, there can be no assurance that we will at all times be in compliance with all of our obligations in the future or that we will be able to obtain or renew all licenses, consents or other permits necessary to allow us to continue to operate our businesses. Any failure by us to comply with such laws and regulations could subject us to fines, penalties and other liabilities.

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<sup>1</sup> Indorama Ventures USA Inc. was converted to a limited liability company under the name of "Indorama Ventures USA LLC" with effect from October 2, 2014.

# INTERNAL CONTROL AND RISK MANAGEMENT



The Board of Directors has assigned the Audit Committee to review the financial reporting process of the Company and its subsidiaries in accordance with generally accepted and consistently applied accounting standards in line with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as well as concerned legislation. The responsibilities of the Audit Committee include reviewing the Company's performance in compliance with corporate governance principles, maintaining suitable, effective, and well-recognized internal control and audit systems; the selection and recommendation of external auditors, and any other tasks assigned by the Board of Directors.

The Company's in-house Internal Audit Department reports to the Audit Committee. The Internal Audit Department is responsible for reviewing the adequacy of the Company's internal control systems for IVL and its subsidiaries. The department reports its findings and recommendations to the management and the Audit Committee. The internal control reviews are performed to ensure the existence of

an effective system of internal controls which provide reasonable assurance for achievement of Company's objectives.

The Board of Directors of the Company in Meeting No. 1/2016 held on January 27, 2016, which was attended by all members of the Audit Committee, considered the recommendations of the Committee, evaluated its opinion on the internal control systems of the Company and its subsidiaries for 2015 and found the internal control systems to be adequate. Below is a summary of IVL's internal control systems in line with The Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework.

## Control Environment

IVL prepares one-year and five-year business plans, which are approved by the Board of Directors. These form the basis of employee goals and objectives at all operating units and the steps to be followed to achieve the Company's objectives. Those objective are reviewed from time to time. The Company has a

well-structured organization in place that indicates the individual's responsibility for key businesses and other functions. All employees have been provided the IVL Policies Handbook which contains all policies that adequately improve the control environment. IVL has a detailed Code of Conduct for its Directors, executives and employees. The Code of Conduct of the Company has been announced to all employees and is read and signed off by them. The Company has a Policy on Internal Information Control and Usage of Inside Information to regulate all employees in keeping confidential the Company's information and not to disclose any confidential information with the aim of benefitting themselves or other persons. Further, the Anti-Corruption Policy has been implemented to conduct the Company's global business honestly, fairly, without corruption or bribery and with accountability. Such policies are published on the website of Indorama Ventures Public Company Limited.

## Risk Assessment

IVL has a Sustainability and Risk Management Committee (SRMC). The Company's Sustainability and Risk Management Committee reviews the Company's overall risk exposure and appraises the Board of risks with potentially significant impact to ensure the implementation of robust processes, procedures and policies. In addition, there is an effective process to evaluate and advise the Board on significant risks and uncertainties that could impact sustainable, profitable, growth. The Committee reports to the Board periodically on its activities and evaluates its performance on an annual basis by reference to its charter and current best practices.

Respective business heads who are members of the SRMC also closely monitor key business risks. The Committee reviews the sensitivity analysis of the business plan, greenfield and M&A projects.

## Control Activities

All IVL operating units have policies and procedures in writing with regard to general management, procurement, sales and marketing and financial activities for all its units. These, together with the financial authority manual, ensures that adequate controls and checks are exercised by the management to operate efficiently and to mitigate the risk of frauds or misappropriations. There is an adequate segregation of duties in respect of authorization, recording and custody of assets at all units.

There is an internal policy on connected transactions which very clearly stipulates what is a connected transaction, who is a connected/related party and the procedure to be followed in case the Company enters into a connected transaction. All connected transactions have to follow the rules and regulations of the SEC/SET. Under said Regulations of the SEC/SET, depending on the size of the transaction, a new connected transaction is reviewed by the Audit Committee and recommended to the Board for its approval. Every quarter, a statement of all connected transactions is submitted to the Audit Committee and the Board. All subsidiaries and associates of IVL have common directors who regularly monitor the operations of the subsidiaries and ensure that they are in line with the overall objectives of IVL. The IVL Board is briefed regularly on the performance of the subsidiaries. Minutes of subsidiary units are provided at each quarterly meeting of the Board.

Compliance confirmation is obtained from the respective Plant Head confirming or informing the status of the compliance with all applicable laws and regulations, statutory filings are reported to the Audit Committee on a quarterly basis and to the Board on an as-needed basis.

## Information and Communication

The Company and its management ensure adequate and sufficient information is provided to the Board for their review and consideration. The minutes of the meeting of Board of Directors are prepared by the Company Secretary. The minutes cover all aspects of discussion held during the Board meeting. The minutes of the meeting are reviewed by all directors and signed off by the Chairman of the Meeting.



The Company Secretary and Audit Committee Secretary fulfill any requirement or information needed to provide assistance to the Directors as they request. The Company has a Whistleblower Policy which provides channels for employees to lodge any anonymous complaints. The website of the Company provides various communication channels for external parties e.g. Company Secretary, Investor Relations, HR Department etc. The Legal & Secretarial Department of the Company is authorized to communicate with the regulators. The Company website provides a channel of communication to external parties to contact our independent directors by sending an email to [independentdirectors@indorama.net](mailto:independentdirectors@indorama.net)

## Monitoring

The annual operational and performance budgets of the Company and its subsidiaries are reviewed and approved by the Board of Directors. The Company's quarterly consolidated financial statements are reviewed and approved by the Audit Committee. Moreover, the Audit Committee reviews the annual audited financial statements and makes recommendations to the Board for its consideration and approval.

The Company's Internal Audit Department reviews the internal control system throughout the various business processes and across all subsidiaries according to its Annual Internal Audit Plan, which is approved by the Audit

Committee. Moreover, at each quarterly meeting the Audit Committee reviews a management letter from the external auditors. The Audit Committee reviews the activities of the Internal Audit Department on a semi-annual basis. Audit Committee also reviews the status update on the implementation of outstanding recommendations periodically.

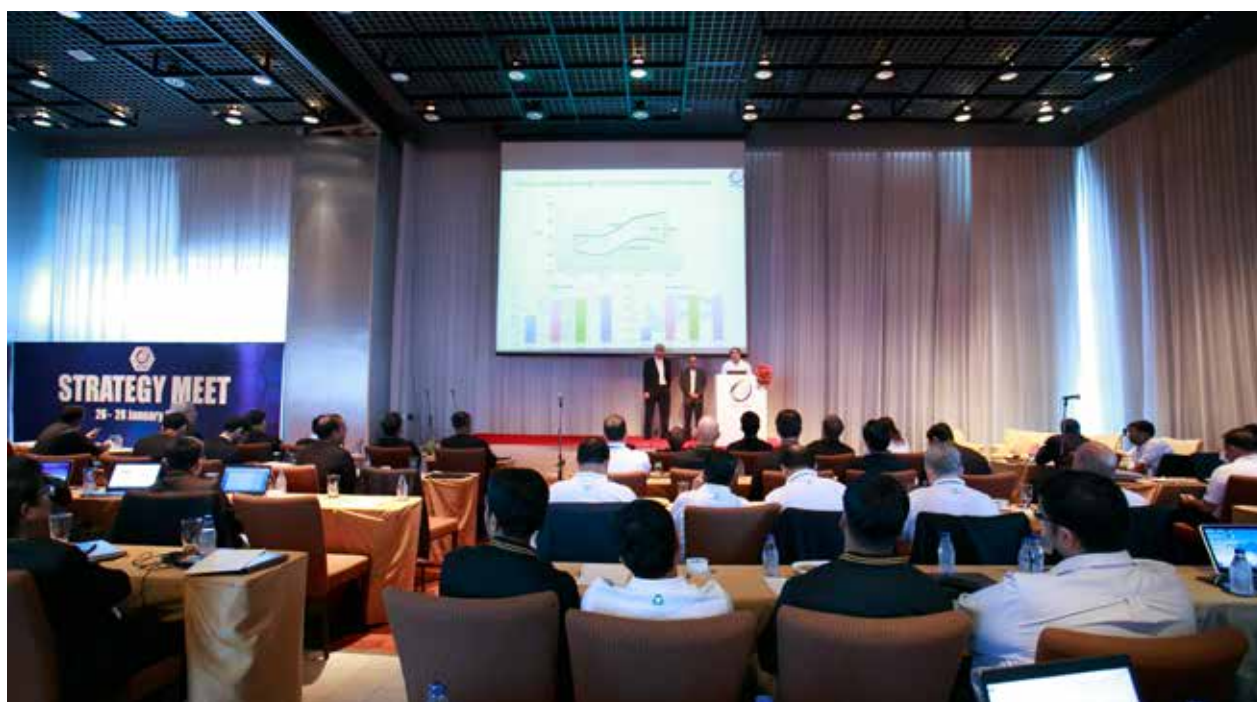
## Head of Internal Audit and Head of Compliance

### 1. Head of Internal Audit

The Company has its own Internal Audit Department, Internal Audit Manual and Internal Audit Charter. The Audit Committee has the authority to approve the appointment, transfer and dismissal the Head of Internal Audit. The Audit Committee has appointed Mr. Anil Kumar Ailani as Head of the Company's Internal Audit Department.

### 2. Head of Compliance

The Company has appointed the Company Secretary, Mr. Souvik Roy Chowdhury as the Head of Compliance in order to review and evaluate the various statutory and legal compliances for all business units and to ensure that they are in accordance with the applicable rules, regulations and Company policies.



# CONNECTED TRANSACTIONS

Connected transactions occur in the normal course of business and the pricing is akin to market prices or at an arm's length basis that would normally be charged to/by any other customers/suppliers with comparable and reasonable terms and conditions. The following is a summary of such transactions as at 31 December 2015:

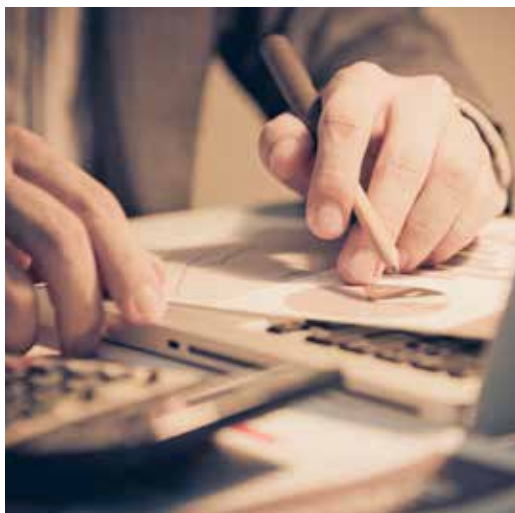
| Connected Party & Relationship                                                                                                                                                              | Type of transaction                                  | (Amount in MB) |          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|----------------|----------|
|                                                                                                                                                                                             |                                                      | 2014           | 2015     |
| <b>Indo Rama Synthetics (India) Ltd.</b><br>Mr. Om Prakash Lohia, a major shareholder of Indo Rama Synthetics (India) Ltd., is a blood brother of Mr. Sri Prakash Lohia and Mr. Alope Lohia | Sale of raw materials/products                       | 4,279.57       | 1,137.47 |
| <b>PT. Indorama Synthetics Tbk.</b><br>Mr. Sri Prakash Lohia is a major shareholder of PT. Indorama Synthetics Tbk                                                                          | Sale of raw materials/products/rendering of services | 1,220.91       | 1,384.04 |
|                                                                                                                                                                                             | Purchase of raw materials/products/services          | 394.26         | 678.20   |
| <b>PT. Indorama Petrochemicals</b><br>Jointly controlled company (IVL indirectly holds 43% of the shares) and Mr. Sri Prakash Lohia is a major shareholder of PT. Indorama Petrochemicals   | Sale of raw materials/products/rendering of services | 17.92          | 857.43   |
|                                                                                                                                                                                             | Purchase of raw materials/products/services          | 9,745.91       | 7,705.80 |
| <b>Indorama Eleme Petrochemicals Ltd.</b><br>Mr. Sri Prakash Lohia is a major shareholder of Indorama Eleme Petrochemicals Ltd.                                                             | Purchase of raw materials/products/services          | 24.65          | 29.55    |
| <b>Pacific Resources Ltd.</b><br>Mr. Anuj Lohia, a son of Mr. Alope Lohia, is a major shareholder of Pacific Resources Ltd.                                                                 | Service expense (Office Lease)                       | 6.69           | 7.17     |
| <b>Cryoviva (Thailand) Ltd.</b><br>Mr. Alope Lohia is a director of Cryoviva (Thailand) Ltd.                                                                                                | Service income (Office Lease)                        | 2.20           | 1.13     |
| <b>PT. Irama Unggul</b><br>Mr. Sri Prakash Lohia family is a major shareholder of PT. Irama Unggul                                                                                          | Service expense (Office Lease)                       | 1.19           | 1.18     |
| <b>Lohia Global Holdings Limited</b><br>Mr. Mohan Lal Lohia, a major shareholder of Lohia Global Holdings Limited, is a father of Mr. Sri Prakash Lohia and Mr. Alope Lohia                 | Service expense (Royalty Fee – Indorama Wordmark)    | 100.84         | 119.79   |
| <b>Vega Aviation Limited</b><br>Mr. Sri Prakash Lohia and Mr. Alope Lohia are the major shareholders of Vega Aviation Ltd.                                                                  | Service expense (Aircraft Lease)                     | 81.20          | 85.72    |
| <b>Indorama Commerce DMCC</b><br>Mr. Sri Prakash Lohia is a major shareholder of Indorama Commerce DMCC                                                                                     | Service expense (Man Power)                          | 7.93           | 13.85    |

## The Audit Committee's Opinion on the Connected Transactions

The above connected transactions have been considered and it is the opinion of the Company's Audit Committee that the aforesaid connected transactions are reasonable and undertaken in the interest of the Company's business. While entering into these transactions, the Committee considers the best interest of the Company. No additional benefit has been transferred between the Company and the persons who have the conflict of interest.

## Policy and Procedure to Approve the Connected Transaction

In the event that the Company carries out its business with any connected persons who may have a conflict of interest with the Company, the Audit Committee will express its opinion regarding the necessity of such transactions. The Audit Committee will ensure that terms and conditions of these transactions are consistent with market practice and prices charged for these transactions are evaluated and compared with market prices. In the event that market price is not available, the Audit Committee must ensure that these prices are reasonable and the transactions are carried out in the best interest of the Company. If the Audit Committee is unable to evaluate connected transactions due to lack of expertise in certain areas, the Company will arrange an independent expert to evaluate and give opinion on such transactions. The Board of Directors or Audit Committee or the Company shareholders, as the case may be, will use this opinion from the independent expert as a supplement to form their own conclusion. Those directors who may have conflict of interest with the Company are prohibited from either voting or attending the meeting on matters regarding to the said connected transactions and the transactions will be disclosed in the Annual Report and Annual Registration Statement (Form 56-1).



## Policy on the Entering into New Connected Transactions

For any new connected transactions, the respective unit would need to contact the Secretary of the Audit Committee and inform about the proposed transaction, its rationale, value of transaction, pricing, terms and conditions, in order for the Secretary of the Audit Committee to classify under which category of connected transaction it would fall and to get any necessary approvals from the Management/Audit Committee/ Board/Shareholders as required. Moreover, the Company will ensure that such transactions are carried out in compliance with the SEC Act, Rules, Notifications and Regulations of the Capital Market Supervisory Board, SEC and SET. In addition, the Company must also comply with the disclosure rules related to connected transactions and the Company's policy. All connected transactions are reviewed and confirmed by the Internal Audit Department.



# DIVIDEND PAYMENT POLICY

## Indorama Ventures Public Company Limited

IVL has a policy to pay a total dividend of not less than 30% of its net profit after tax and appropriation to legal reserve. However, the Board of Directors shall have the authority to consider waiving or amending such dividend policy subject to the condition that it will bring the greatest benefit to the shareholders, such as to use such portion of the net profit as reserve for debt repayment, capital investment for production expansion or as a support in case of changing market conditions which would affect the company's future cash flows.

## Subsidiary Companies

The payout of dividend by IVL subsidiaries to IVL is up to 80% of their net profit after tax and after appropriation to legal reserve. However the Board of Directors of the subsidiaries will consider the dividend payment, and may amend the dividend policy, by taking into account the reserves for debt repayment, capital investment for production expansion or as a support in case of changing market conditions or as required to manage future cash flows.

A wide-angle photograph of a large, modern conference hall. On the left, a stage with a red carpet features three men in business attire. One man is standing at a white podium, while two others stand beside him. The stage is decorated with white curtains and a large screen displaying a presentation. The audience, seated at long tables covered with white cloths, fills the right side of the hall. The ceiling is high and features a complex arrangement of lights and structural elements. The overall atmosphere is professional and formal.

# CORPORATE GOVERNANCE REPORT 2015

Indorama Ventures PCL (IVL) has a deep commitment to achieving the utmost in good corporate governance standards and firmly believes in driving the company to achieve a balance between economic, environmental and social goals.

The Board of Directors believes that corporate governance is the key to the reinforcement of corporate credibility as it enables sustainable growth and increases long-term value for its stakeholders. The Board and management have agreed to commit themselves to the implementation and practice of all Corporate Governance principles. This reflects our observance of what is fair, right and legal in the most transparent and ethical manner possible.

## Corporate Governance Policy

IVL has in place a written Corporate Governance Policy that follows the guidelines set out by the SET and the criteria for Corporate Governance under OECD principles. It covers the following: a) the rights of shareholders b) equitable treatment of shareholders c) the role of stakeholders d) disclosure and transparency e) the responsibility of the Board of Directors. The Policy defines the framework of duties and responsibilities of the Board of Directors, management and employees.

## IVL Corporate Governance Awareness Campaign 2015

The Corporate Governance Policy Awareness Campaign (CGPAC) which was rolled out in 2013 by the Board has been successfully implemented across all IVL units globally including those that were acquired during the year. The CGPAC Committee has continuously monitored progress through a dedicated resource and provided its guidance and support in establishing a strong awareness amongst all IVL associates in not only understanding all the Corporate Governance related policies but also its implementation in the true spirit that they were created.

CGPAC is a continuous program of training, seminars and monitored implementation. To ensure clear understanding by all, the Company has been encouraging translation of all the policies into the local language. Currently we have translations in 12 languages and they are all uploaded on the Company website. A Policies handbook, containing all the company's policies, has been made available to all employees. In Thailand, the new handbook was distributed to all employees for their acknowledgement. All site heads are responsible for the implementation of CGPAC and will report results of the implementation to the CGPAC committee who in turn will make a report for the year 2015 to the Board in February 2016. Site/HR heads ensure that all new employees are provided with a policies handbook. The new employees are required to acknowledge that they have read and understood the policies and sign the Code of Conduct. This initiative has ensured that all new employees are aware of the program. 70% of all sites have fully implemented training courses that are either live seminars or online self-learning courses. To further pursue the embedding of corporate governance policies and principles into the minds of employees, a Corporate Governance Section has been set up under an experienced person to implement training in CG and anti-corruption/bribery across the business and review CG policies annually or as required. To achieve these goals, the CG head has conducted training programs in several business units and recorded some on video for dissemination to overseas subsidiaries for use in their own training sessions.

Part of the website has been designed to ensure employees can access the latest information and revisions of all policies. During the year, the Company also updated the information on the Corporate Governance section of the website to be consistent with the requirements of "Transparency International".

All Corporate Governance Policies are reviewed annually. The CGPAC Committee will submit their recommendations to the Board for changes to policies in August of each year.

All policies of the Company are available on its website [www.indoramaventures.com](http://www.indoramaventures.com) under the Corporate Governance section.



**For the continued practice of good Corporate Governance, in 2015 the Company received the following assessment and awards:**

1. **A score of 100 percent for the 2015 Annual General Meeting** of Shareholders, judged by the Thai Investors Association. This was the fourth consecutive year in succession.
2. An **"Excellent - 5 Star" CG score** in the practice of **Corporate Governance of Thai Listed Companies** which was carried out by Thai Institute of Directors (IOD) in conjunction with the Stock Exchange and Security Exchange Commission of Thailand. An excellent CG scoring is the highest possible scoring and is awarded to firms with a score of 90-100 percent. IVL scored 93 percent. This is the third consecutive year that IVL received the "5 star" rating.
3. The Company won an award as being in the Top 50 ASEAN Publicly Listed Companies from ASEAN Capital Markets Forum (ACMF) based on the ASEAN Corporate Governance Scorecard for 2015.
4. IVL won the **CSR Recognition** award from SET in 2015 for the second consecutive year.
5. The company won a **Sustainability Report** award from SET in 2015 for the second consecutive year.
6. An **Outstanding Sustainability Report** award was given to the company by the Thailand Listed Companies Association (TLCA) and SEC.



7. **Outstanding Investor Relations award and Thailand Sustainability Investment award** from SET in 2015.
8. **A Certificate of Excellent in IR** from IR Magazine.
9. The **Gold Award on Excellence in Governance, CSR and Investor Relations** from the Asset magazine.
10. **Best Investor Relations Team** from the Asset magazine.

## Sub-Committees

The IVL Board has appointed the following three sub-committees: (a) Audit Committee, (b) Nomination, Compensation and Corporate Governance Committee and (c) Sustainability and Risk Management Committee.

### Audit Committee

The Audit Committee consists of three members with Mr. Rathian Srimongkol as Chairman, Mr. Maris Samaram and Dr. Siri Ganjarerndee as members. All members are Independent Directors and have the requisite experience and knowledge to review financial statements. The present Audit Committee was appointed in 2015 for a two-year term, expiring on September 18, 2017.

The Audit Committee held six meetings during the year with the attendance of members as follows:

| Name                     | Attendance |
|--------------------------|------------|
| Mr. Rathian Srimongkol * | 6/6        |
| Mr. Maris Samaram *      | 6/6        |
| Dr. Siri Ganjarerndee *  | 6/6        |

\* Mr. Rathian Srimongkol, Mr. Maris Samaram and Dr. Siri Ganjarerndee have accounting knowledge to review financial statements.

*The main duties and responsibilities of the Audit Committee include:*

1. To review the company's financial reporting process to ensure that it is accurate and adequate;
2. To approve the quarterly financial statements before the same are published;
3. To review annual financial statements for the approval of the Board of Directors;
4. To approve the quarterly Management Discussion and Analysis (MD&A) report & review the annual Management Discussion and Analysis (MD&A) report and recommending the same to the Board of Directors;
5. To review the company's internal control system and internal audit- function to ensure that they are suitable and efficient, to determine an internal audit department's independence, as well as to approve the appointment, transfer and dismissal of the head of internal audit;
6. To review the company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, and the laws relating to the company's business;
7. To recommend the selection, nomination and dismissal of an independent person/entity to be the company's auditor, and to propose such person/entity's remuneration, as well as to attend a non-management meeting with the independent auditor at least once a year;
8. To review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the Company;

9. To approve the New Connected Transactions which are required to be approved by the Audit Committee as per SEC/SET regulations and Connected Transaction Policy of the company
10. To review and ensure disclosure in the company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
  - (a) An opinion on the accuracy, completeness and credibility of the company's financial report;
  - (b) An opinion on the adequacy of the company's internal control system;
  - (c) an opinion on the compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the company's business;
  - (d) An opinion on the suitability of an auditor;
  - (e) An opinion on the transactions that may lead to conflicts of interests;
  - (f) The number of the Audit Committee meetings, and the attendance at such meetings by each committee member;
  - (g) An opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
  - (h) Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors.
11. Review the measures taken by the Company for countering the anti-corruption and bribe as part of good Corporate Governance as per the guidelines of Thai Institute of Directors Association.
12. To engage external agencies for professional opinions, if required.
13. Perform any other act as assigned by the company's board of directors, with the approval of the Audit Committee.

The Chairman of the Audit Committee reported on the Committee's activities to the Board, immediately following its meetings. Between meetings, the Committee reviewed emerging issues with the management team, Chief of Internal Audit and with the statutory auditors. The Minutes of the Audit Committee is a part of the Board papers every quarter.

*The Audit Committee Report on its performance to the shareholders is separately disclosed in the Annual Report.*

## Internal Audit

The Company has its own Internal Audit Department, Internal Audit Manual and Internal Audit Charter. The Head of the Internal Audit Department is Mr. Anil Ailani. The Internal Audit Department is entrusted to carry out internal audit activities of the Company and its subsidiaries under the supervision of the Chief of Internal Audit. The Internal Audit Department reports functionally to the Audit Committee. A detailed plan for the year is formulated for the units and approved by the Audit Committee which then periodically reviews the work of the Internal Audit Department against the plan and makes recommendations to management. In 2015, audits were carried out for all Thai units and several overseas units. The Secretary of the Audit Committee follows up on the implementation of recommendations and reports the progress to the Audit Committee and also undertakes periodic checks to ensure compliance with statutory and regulatory requirements.

The term of the current NCCG Committee consisting of Mr. William Ellwood Heinecke as Chairman, Mr. Alope Lohia, Dr. Siri Ganjarerndee and Mr. Kanit Si have been renewed for another two years by the Board of Directors at their meeting No. 3/2014 dated May 14, 2014, expiring in May 2016. Other than Mr. Alope Lohia all other members are Independent Directors.

## Nomination, Compensation and Corporate Governance Committee (NCCG)

The Nomination, Compensation and Corporate Governance Committee held three meetings during 2015 with the attendance of members as follows:

| Name                         | Attendance |
|------------------------------|------------|
| Mr. William Ellwood Heinecke | 3/3        |
| Mr. Alope Lohia              | 3/3        |
| Dr. Siri Ganjarerndee        | 3/3        |
| Mr. Kanit Si                 | 3/3        |

The main duties and responsibilities of the NCCG Committee include:

## Nominating

The Committee has the following authority and responsibilities:

- To determine the composition of the Board and its Committees, and monitor and assess Board effectiveness.
- To lead the search for and identify suitable candidates qualified to become members of the Board. The Committee shall select candidates with the highest personal and professional integrity, with demonstrated and exceptional ability and judgment and who shall be most effective, in conjunction with the other candidates and serving Directors, in collectively serving the long-term interests of the shareholders.

In addition the Committee shall consider the appropriate mix of skills, education, experiences, independence and knowledge i.e. a broad diversity to match with the Company's requirements.

In the event that the Committee is unable to identify suitable candidates, the Committee may use a professional search firm or the Institute of Directors (IOD) director pool as appropriate.

- To assist the Board in developing and evaluating potential candidates for executive positions, including the chief executive officer, and to oversee the development of executive succession plans.
- To develop and to recommend to the Board for its approval, qualifications for director candidates, and to review these qualifications periodically.
- To review the Board of Directors' Committee structure and to recommend to the Board for its approval, Directors to serve as members of each Committee, and as Committee Chairs. The Committee shall review and recommend Committee candidates annually and shall recommend additional Committee members to fill vacancies as needed.
- To develop and recommend to the Board for its approval, a set of corporate governance principles, the Committee shall review the principles on an annual basis, or more frequently if appropriate, and recommend changes as necessary.
- To develop and recommend to the Board for its approval, an annual self-evaluation process for the Board and its Committees. The Committee shall oversee the annual self-evaluations.
- The Committee shall have the authority to delegate any of its responsibilities to subcommittees as appropriate.
- The Committee shall have the authority to retain any search firm engaged to assist in identifying director candidates, and to retain outside counsel and any other advisors as the Committee

may deem appropriate. The Committee shall have authority to approve related fees and retention terms.

- The Committee shall report its actions and any recommendations to the Board and shall conduct and present to the Board an annual performance evaluation of the Committee.
- The Committee shall review the adequacy of its charter as required and recommend any proposed changes to the Board for approval.

## Compensation

The Committee shall have the following authority and responsibilities:

- To review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Group Chief Executive Officer (GCEO).
- The Committee shall evaluate at least once a year the GCEO's performance in light of these established goals and objectives and based upon these evaluations shall set the GCEO's annual compensation, including salary, bonus and equity and non-equity incentive compensation (if any).
- To review and approve on an annual basis the evaluation process and compensation structure for the Company's Executive Directors. The Committee shall evaluate the performance of the Company's Executive Directors and shall approve the annual compensation, including salary, bonus and equity or non-equity incentive compensation, for such Executive Directors, based on initial recommendations from the GCEO. Moreover, the Committee shall maintain regular contact with the leadership of the Company. This should include interaction with the Company's leadership development activities, review of data from employee surveys and regular review of the results of the annual leadership evaluation process.
- To review and approve on an annual basis the evaluation process and compensation structure for senior executives. The Committee shall approve or may assign the Human Resources department to approve the annual compensation, including salary, bonus and equity and non-equity incentive compensation for senior executives.
- To review and discuss with management the Company's Compensation Discussion and Analysis (CD&A) and to recommend to the Board that the CD&A be included in the Company's annual report.
- The Committee has the authority to retain compensation consultants, outside counsel and other advisors as the Committee may deem appropriate. The Committee has the authority to approve related fees and retention terms.
- The Committee shall report its actions and any recommendations to the Board after each Committee meeting and shall conduct and present to the Board an annual performance evaluation of the Committee.

## Corporate Governance

The Committee shall have the following duties with regard to corporate governance.

- Formulation of a corporate governance policy for consideration and adoption by the Board, monitoring compliance with that policy, and reviewing and adapting it on a continuing basis as appropriate.
- Coordinating the annual performance assessment of the Chairman of the Board, Individual Directors; the Board as a whole and Board Committees.

## Sustainability and Risk Management Committee (SRMC)\*

- Ensure processes are in place for maintaining the integrity of the Company-the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with customers and suppliers, and the integrity of relationships with other stakeholders;
- Ensure processes are in place for preventing and mitigating conflicts of interest for the best interest of the Company and its shareholders; and
- Ensure processes are in place for effective good governance, risk management, internal controls, and compliance.

*A report from the NCCG Committee is provided in the Annual Report*

*\*The Committee has been renamed from "Sustainability Committee" to "Sustainability and Risk Management Committee" effective August 2015*

The SRMC Committee is chaired by Mr. Alope Lohia, the Group CEO and Vice-Chairman of the Board and other members of the Committee are Mr. Rathian Srimongkol, Independent Director, Vice-Chairman of the Board and Chairman of the Audit Committee, Mr. Maris Samaram, Independent Director and Member of the Audit Committee, Mr. Dilip Kumar Agarwal, CEO of the Feedstock and PET Businesses, Mr. Udey Paul Singh Gill, President of the Polyester Business and Mr. Russell Leighton Kekuewa, Independent Director. The SRMC Committee held two meetings during the year with the attendance of members as follows:

| Name                         | Attendance |
|------------------------------|------------|
| Mr. Alope Lohia              | 2/2        |
| Mr. Rathian Srimongkol       | 2/2        |
| Mr. Maris Samaram            | 2/2        |
| Mr. DK Agarwal               | 2/2        |
| Mr. Udey Paul Singh Gill     | 2/2        |
| Mr. Russell Leighton Kekuewa | 2/2        |

*The main duties and responsibilities of the SRMC Committee are:*

1. **Sustainability Goals and Strategy:** Ensure alignment between the management and the Board on the Company's Sustainability goals and strategy.
2. **Risk Management:**
  - To review the Company's overall risk exposure and apprise the Board of risks with potentially significant impact.
  - To ensure robust processes, procedures and policies are in place.
3. **Report to the Board:** Report to the Board on a periodic basis on the activities of the Committee.
4. **Annual Self-Evaluation:** The Committee shall evaluate its performance on an annual basis by reference to this charter and current best practices.
5. **Review of this Charter:** The Committee's Charter shall be reviewed periodically and updated as required with the consent of the Board.
6. **Other Delegated Responsibilities:** Perform such other duties and responsibilities as may be delegated to the Committee from time to time by the Board.

## Selection and Appointment of Directors and Group CEO

### Directors

The selection, appointment and the withdrawal of the Board of Directors of Indorama Ventures PCL shall be as prescribed by the Articles of Association, which can be summarized as follows:

1. To conduct the business of the Company, the Board of Directors shall consist of at least five directors. Not less than one half of all directors shall have residence in the Kingdom of Thailand.
2. The appointment of a director shall be made by a majority vote of the shareholders meeting in accordance with the following conditions and procedures:
  - (a) A shareholder shall have one vote for each share;
  - (b) The shareholder shall vote for the election of each director in turn, person by person;
  - (c) Each shareholder may exercise all the votes he or she has (a) to elect one or several persons as a director or directors, but the shareholder cannot divide his or her votes to any nominated director by any an allotment of shares of any number;
  - (d) The persons receiving the most votes are those who are elected to be directors, in descending order, to the number of directors who are to be elected. If there is a tie in the last to be elected and this exceeds the said number of directors, the presiding chairman shall have the casting vote.
3. At every annual general meeting, one-third of the total number of the directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. The directors to

retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has been in office for the longest term shall retire. A retiring director is eligible for re-election.

4. Any director wishing to resign from the director's position shall submit a resignation letter to the Company. The resignation shall take effect upon the date on which the resignation letter reaches the Company.
5. The shareholders' meeting may pass a resolution removing any director prior to retirement by rotation, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote, and the shares held by them shall not, in aggregate, be less than one half the number of the shares held by the shareholders attending the meeting and having the right to vote.

### **Qualifications of a Director**

1. Meets the stipulations under various regulations and those prescribed by the Company's Articles of Association.
2. Have at least a Bachelor's Degree in any field.
3. Be knowledgeable of the Company's business and provide adequate time and inputs to the benefit of the Company.
4. Has adequate experience to meet the company's business strategy.
5. Be an individual with honesty, integrity and high morals.

A Non-Executive Director and an Independent Director shall not take a position as a director in more than five other listed companies.

The Executive Directors shall not take a position as director in more than three other listed Companies or in any company having conflict of interest with IVL. However the Executive Directors can take up any number of Directorships in the IVL Group Companies including Joint Ventures.

In the case that a director takes directorship positions in excess of the criteria, the Board of Directors shall consider the effectiveness in the performance of the said directors' duties and shall report the reasons for the appointment in the corporate governance report in the annual registration statement (Form 56-1) and the annual report (Form 56-2).

### **Qualifications of an Independent Director**

1. Shareholding not exceeding 0.75% of the total shares with voting rights of the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company (to be calculated by including the shares held by any related persons of said independent director);

2. Not being, nor having been, a director who participates in the management, or as an employee, staff member or advisor who receives a regular salary, or a controlling person of the Company, its parent company, subsidiary company, its associated company, its subsidiary company at the same level, major shareholder or controlling person of the Company unless the holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC. However, such prohibition shall not apply in the case where the independent director has been a government official or consultant of the government sector, which is a major shareholder, or controlling person of the Company;
3. Not being a person who has a blood relationship or registration under law, as father, mother, spouse, sibling and child, including spouse of a child, of its executives, its major shareholders, its controlling person or the person who will be nominated to take up the position of executive or controlling person of the Company or its subsidiary;
4. Not having, or not having had, any business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company in a manner which may obstruct its independent judgment, and not being or not having been a substantial shareholder or controlling person of a person who has a business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, unless such business relationship has been discontinued for at least two years

before the date of submission of the application for the issue of newly issued shares to the SEC;

Please note that the aforementioned business relationship and transaction size shall have the same definition as in the notification of the Thai Capital Market Supervisory Board Re: Application for and Approval of Offer for Sale of Newly Issued Shares.

5. Not being, or not having been, an auditor of the Company, its parent company, its subsidiary company, its associated company, major shareholder, controlling person of the Company, major shareholder or controlling person of the partner of the audit company for which the auditor of the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company has worked therein, unless such holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC;
6. Not being or not having been a professional service provider, including service provided as legal counsel or financial advisor which is retained for a fee exceeding Baht two million per annum from the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, and not being controlling person of the partner of such professional service provider, unless such business relationship has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC;
7. Not being a director nominated to be a representative of a director of the Company, major shareholder or shareholder who are related persons to the major shareholder;
8. Not undertaking business of the same nature as and materially competing with that of the business of the Company or its subsidiary company or not being a partner of the partnership or a director who participates in the management, an employee, a staff member, or advisor who receives a regular salary or holds shares exceeding 1% of the total shares with voting right of other companies which undertakes business of the same nature as and materially compete with that of the business of the Company or its subsidiary company; and
9. Having no other qualifications causing any inability to express independent judgment in respect of the Company's business operation.

The qualification of the Independent Directors is more stringent than the requirement of the Thai Capital Market Supervisory Board.



## Group CEO

The Board of Directors will appoint the Group CEO. The Group CEO will be a person with the highest personal and professional integrity, with demonstrated and exceptional ability and judgment and who shall be most effective in serving the long-term interests of the Company and have knowledge in the industry in which IVL operates.

### Role and Responsibility of Group CEO

- Designated as authorized person in administering the Company's business and/or day-to-day operation to be in line with the objectives, articles of association, policies, rules, regulations, instructions and resolutions of the Board of Directors Meeting and/or resolutions of the Shareholders Meeting.
- Arrange to prepare the Company's business policies, business plans and budget to be proposed to the Board of Directors for approval and has a duty to report the progress on such approved business plans and budget to the Board of Directors according to the period specified by the Board of Directors.
- Manage the Company's business operations in line with the Company's business policies, business plans and budget, and to meet financial goals as approved by the Board of Directors.
- Establish performance goals, allocate resources and comply with the policies for management.
- Ensure the Company's overall business growth in accordance with the Company's objectives and business plans.
- Maintain good relationship with the Company's stakeholders.
- Ensure compliance with the law and ethical standards and maintain transparency.
- Ensure the organization's public standing.
- Be the leader in marketing strategy.

- Determine, monitor and strengthen organization's standards that are essential to keep its competitive edge and create organization value through continuously working on the people and products.
- Analyze the current and potential overall global industrial condition for hints of future changes within the industry and adjust the Company's strategy.
- Ensure appropriate returns to all stakeholders
- Work closely with chief executive officers, chief financial officers and chief operating officers of various business groups to deliver organization value.
- Set up the employee performance evaluation standards and review such standards periodically.
- Ensure effective implementation of the Board of Directors' resolution.
- Recruit, appoint, remove, relocate, adjust, reduce or deduct salary or wages, impose disciplinary sanctions on officers and employees as well as dismiss officers and employees from their positions in accordance with the rules prescribed by the Board of Directors, except for executive officers or those in comparable or higher positions, which shall require prior approval from the Board of Directors.
- Approve the Company's normal financial transactions and debt restructuring transactions of short-term debts in the amount of not exceeding Baht 500 million or long-term debts in the amount of not exceeding Baht 250 million.
- Be authorized to delegate authority to others to perform specific duties on his behalf. Such delegation of authority shall be within the scope of and in accordance with the power of attorney granted and/or shall be in accordance with the internal regulations, rules or instructions given by the Board of Directors and/or the Company. The authorization of duties and responsibilities of the CEO shall not constitute an authorization or sub-authorization which may cause the CEO or his authorized person(s) to be able to approve any transaction in which they, or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory Board), may have an interest or may gain benefit in any manner, or in which they may have any other conflict of interest with the Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the Shareholders Meeting or the Board of Directors Meeting.

## Governance in Subsidiary and Associated Companies

It is the policy of the Company to send at least one representative from Thailand to be a director of its subsidiaries and associated companies; who has the qualifications and experience suitable for such business with no conflict of interest directly with the business of those subsidiaries. Such representative shall manage and administer the business of such subsidiaries according to the regulations and procedures provided in the Articles of Association of the Company and of such subsidiaries and relevant laws and also implement the policies, procedures, guidelines and recommendations of IVL parent Company.

Corporate Headquarters of the company has now collected a summary of all the by-laws of all subsidiaries in order to monitor compliance.

The core subsidiary Companies of IVL held 315 Board meetings in 2015, which are detailed in the table below:

| No.         | Company                                                        | Number of Meetings |
|-------------|----------------------------------------------------------------|--------------------|
| <b>ASIA</b> |                                                                |                    |
| 1           | Indorama Ventures Global Services Limited                      | 10                 |
| 2           | Indorama Polymers Public Company Limited                       | 6                  |
| 3           | Petform (Thailand) Limited                                     | 5                  |
| 4           | Asia Pet (Thailand) Limited                                    | 5                  |
| 5           | Indorama Holdings Limited                                      | 7                  |
| 6           | Indorama Polyester Industries Public Company Limited           | 7                  |
| 7           | Indorama Petrochem Limited                                     | 9                  |
| 8           | TPT Petrochemicals Public Company Limited                      | 6                  |
| 9           | ES FiberVisions (Thailand) Company Limited                     | 3                  |
| 10          | Indorama Ventures Polymers (Rayong) Public Company Limited     | 10                 |
| 11          | Guangdong IVL PET Polymer Company Limited                      | 4                  |
| 12          | Shenma-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd. | 1                  |
| 13          | PHP-Shenma Air Bag Yarn Marketing (Shanghai) Co., Ltd.         | 1                  |
| 14          | Performance Fibers (Kaiping) Company Limited                   | 4                  |
| 15          | Performance Fibers (Kaiping) No. 2 Company Limited             | 4                  |
| 16          | Performance Fibers (Hong Kong) Limited                         | 2                  |
| 17          | PT. Indorama Ventures Indonesia                                | 5                  |
| 18          | PT. Indorama Polyester Industries Indonesia                    | 5                  |
| 19          | PT. Indorama Polychem Indonesia                                | 5                  |
| 20          | PT. Indorama Petrochemicals                                    | 3                  |
| 21          | PT. Indorama Polypet Indonesia                                 | 5                  |
| 22          | KP Equity Partners Inc.                                        | 2                  |
| 23          | Indorama Ventures Packaging (Myanmar) Limited                  | 6                  |

| No.            | Company                                               | Number of Meetings |
|----------------|-------------------------------------------------------|--------------------|
| <b>ASIA</b>    |                                                       |                    |
| 24             | Indorama Ventures Packaging (Philippines) Corporation | 11                 |
| 25             | IVL Singapore Pte. Ltd.                               | 3                  |
| 26             | Micro Polypet Private Limited                         | 1                  |
| 27             | Sanchit Polymers Private Limited                      | 1                  |
| 28             | Eternity Infrabuild Private Limited                   | 1                  |
| <b>EUROPE</b>  |                                                       |                    |
| 29             | IVL Belgium N.V.                                      | 1                  |
| 30             | FiberVisions A/S                                      | 1                  |
| 31             | Wellman France Recyclage S.A.S                        | 1                  |
| 32             | Trevira GmbH                                          | 4                  |
| 33             | PHP Fibers GmbH                                       | 3                  |
| 34             | Wellman International Limited                         | 4                  |
| 35             | Ottana Polimeri S.R.L.                                | 2                  |
| 36             | UAB Orion Global Pet                                  | 4                  |
| 37             | UAB Indorama Polymers Europe                          | 1                  |
| 38             | UAB Indorama Holdings Europe                          | 1                  |
| 39             | Indorama Netherlands Cooperatief U.A.                 | 3                  |
| 40             | Indorama Netherlands B.V.                             | 24                 |
| 41             | Indorama Ventures Europe B.V.                         | 5                  |
| 42             | Indorama Polymers Rotterdam B.V.                      | 3                  |
| 43             | Indorama Ventures Recycling Netherlands B.V.          | 1                  |
| 44             | MJR Recycling B.V.                                    | 1                  |
| 45             | Indorama Holdings Rotterdam B.V.                      | 3                  |
| 46             | Indorama Ventures Dutch Investments B.V.              | 1                  |
| 47             | Beverage Plastics (Holdings) Limited                  | 4                  |
| 48             | Beverage Plastics Limited                             | 3                  |
| 49             | Indorama Ventures Poland Sp. z o.o.                   | 4                  |
| 50             | Indorama Ventures Adana PET Sanayi Anonim Sirketi     | 9                  |
| 51             | Indorama Ventures Corlu PET Sanayi Anonim Sirketi     | 13                 |
| 52             | Beacon Trading (UK) Limited                           | 1                  |
| 53             | Indorama Trading (UK) Limited                         | 2                  |
| 54             | Indorama Polymers Workington Limited                  | 1                  |
| <b>AMERICA</b> |                                                       |                    |
| 55             | Indorama Ventures Logistics LLC                       | 4                  |
| 56             | Indorama Ventures [Oxide & Glycols] LLC               | 5                  |
| 57             | Performance Fibers Holdings Finance, Inc              | 2                  |
| 58             | Performance Fibers Asia Holdings, LLC                 | 1                  |
| 59             | Performance Fibers Asia , LLC                         | 1                  |
| 60             | AlphaPet, Inc.                                        | 7                  |
| 61             | Auriga Polymers Inc.                                  | 8                  |
| 62             | StarPet Inc.                                          | 8                  |
| 63             | Indorama Ventures Performance Fibers Holdings USA LLC | 1                  |

| No.            | Company                                               | Number of Meetings |
|----------------|-------------------------------------------------------|--------------------|
| <b>AMERICA</b> |                                                       |                    |
| 64             | FiberVisions Corporation                              | 3                  |
| 65             | FiberVisions Manufacturing Company                    | 5                  |
| 66             | FiberVisions Products, Inc                            | 5                  |
| 67             | Polyamide High Performance Inc.                       | 1                  |
| 68             | Safe Tweave Inc.                                      | 1                  |
| 69             | Indorama Ventures Olefins LLC                         | 2                  |
| 70             | Indorama Ventures Northern Investments Inc.           | 4                  |
| 71             | Indorama Ventures Gestion Inc.                        | 4                  |
| 72             | Indorama Ventures Polymers Mexico, S. de R.L. de C.V. | 4                  |
| 73             | Indorama Ventures EcoMex, S. de R.L. de C.V.          | 4                  |
| <b>AFRICA</b>  |                                                       |                    |
| 74             | Indo Polymers Mauritius Limited                       | 3                  |
| 75             | Indorama PET (Nigeria) Limited                        | 4                  |
| 76             | Indorama Ventures Packaging (Nigeria) Ltd.            | 3                  |
| 77             | Indorama Ventures Packaging (Ghana) Limited           | 3                  |

Apart from those meetings, there were also management and executive committee meetings regularly to review the business performance of the various subsidiaries.

## The Use of Internal Information of the Company

The Company has in place a written policy on the use of confidential and/or internal information so as to prevent any illegal use. The statement is prominently displayed at the head office and at the offices and the working places of all its subsidiaries, for the knowledge of all employees.

The code of conduct prohibits Directors and employees from buying, selling, transferring or accepting the transfer of Company securities by using confidential and/or internal information in any manner that may take advantage of outsiders by using inside information.

All Directors, senior management, auditors and employees having access to financial statements of the Company are required to make a declaration of their movement in shareholding including their spouse and minor children, to the Company Secretary. A summary of the shareholding is presented to the Board on a quarterly basis.

Each year, the IVL Directors and executives submit to the Company Secretary a report, in the form as approved by the Board, on their interest or a related person's interest in the Company or its subsidiaries.

## The Regulations on the Use of Internal Information of the Company

The regulations on the use of internal information of the Company are as follows:

1. All Directors, executives, staff and employees of the Company shall keep confidential and/or internal, all information of the Company except for the purpose of the operation of the Company's businesses;
2. All Directors, executives, staff and employees of the Company shall not disclose confidential and/or internal information of the Company with the aim to seek benefit for oneself or for other persons either directly or indirectly regardless of whether or not such benefit is to be received; and
3. All Directors, executives, staff and employees of the Company shall not sell, purchase, transfer or take the assignment of securities of the Company by using confidential and/or internal information of the Company and/or enter into any transactions by using confidential and/or internal information of the Company in a manner that

could possibly cause damage to the Company either directly or indirectly. This provision shall also apply to spouses and minor children of the Directors, executives, staff and employees of the Company. Violators of the regulations shall be deemed as committing a serious offence.

Post listing of its shares on the Stock Exchange of Thailand (SET), all Directors, executives, managers, any persons responsible for the operation, auditors, staffs or employees of the Company may not purchase or sell, offer to purchase or sell or invite any other person to purchase, sell or offer to purchase or sell the shares of the Company in such a way as to take advantage of other persons by using internal information material to changes in the prices of the shares of the Company which has not yet been disclosed to the public and to which information he has access by virtue of his office or position, and whether or not such act is done for his own or another person's benefit, or to disclose such information so that he will receive consideration from the person who engages in the aforesaid acts, such person shall be liable under the applicable laws with respect to insider trading as a result of such contravention.

In case, Directors, executives, managers, any persons responsible for the operation, auditors of the Company acquire or dispose of shares or other securities (if any) of the Company, such person have to report on such acquisition or disposal to the SEC within the time described by SEC Act B.E. 2535. The said acquisition or disposal by the abovementioned person shall include the holding of shares and other securities in the Company (if any) by his spouse and minor children.

These regulations have been informed to all employees.

## Audit Fee

The total audit fee and non-audit fee paid during 2015 for IVL and all its subsidiaries, jointly controlled entities and associates globally were as following.

| Particulars                                                                                                   | 2014<br>Unit : MB | 2015<br>Unit : MB |
|---------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| 1. The total audit fees for IVL and all its subsidiaries, jointly-controlled entities and associates globally | 120               | 124               |
| a) Payment to KPMG Phoomchai Audit Ltd and other members firms of KPMG Phoomchai Audit Ltd.                   | 112               | 116               |
| b) Other Audit firms                                                                                          | 8                 | 8                 |
| 2. The total non-audit fees paid to member firms of KPMG International other than KPMG Phoomchai Audit Ltd *  | 46                | 53                |

\* The amount of non-audit fees relates to tax advice, due diligence in relation to the acquisitions, restructuring and other advisory services

## The Practice of Corporate Governance in 2015

The company has adopted and consistently complied with the principles of good corporate governance as recommended by the SET as explained in the various sections below. However the following may be noted.

1. The company has opted to have its Chairman of the Board a Non-executive Director instead of an Independent Director.
2. The Board of Directors has not limited the terms of an independent director to not more than nine consecutive years starting from the day of the first appointment. The reason for the same is explained below in the section "Retirement of Directors."
3. The Nomination Committee has the Group CEO as a member along with three Independent Directors in order to ensure quick response and implementation of recommendations made by the Independent members.
4. Currently the Board does not have any independent female directors. The Board of IVL has declared it does not have any gender bias and shall appoint a qualified female Independent Director as and when the opportunity arises.

5. The Company has opted not to use the “Cumulative Voting” for the election of Company directors.

## **Rights of Shareholders and Equitable Treatment of Shareholders**

It is the Company’s top most priority is to protect shareholders’ rights, irrespective of their shareholding, and encourage them to exercise those rights as spelt out in relevant laws.

The Company recognizes the basic legitimate right of shareholders whether major or minor, local, foreign or institutional to participate in Shareholders’ Meetings; the right to appoint a proxy to participate and vote at the said meeting; the right to vote for the appointment or removal of Individual Directors; the right to vote on the annual appointment of statutory auditors and fix their remuneration and the right to vote on various other businesses of the Company. IVL implemented all these rights of the shareholders at their Annual General Meeting of Shareholders No.1/2015 held on April 24, 2015.

Shareholders rights also include the eligibility to receive dividend payments, the right to give opinions and enquire into business matters of the Company at the Shareholders’ Meeting.

Apart from the above, IVL also recognizes the equal rights of all shareholders to obtain accurate, adequate and timely information from the Company, for their decision-making and will always strive to provide the same.

IVL has no agreement of any kind with any of its shareholders and has a straight forward structure with its subsidiaries, affiliates and joint venture partners with no joint holding and cross holding of shares.

The IVL Group structure is uploaded on the Company website under “Our Company” and updated every quarter.

### **a) General Rights and Equality**

IVL provides the opportunity to minority shareholders to propose agenda items and to nominate qualified individuals to be elected as Directors of the Company before the AGM for a period of over 90 days. Such notification to the shareholders was informed to SET website and posted on the Company’s website on September 7, 2015. The notification clearly mentioned the procedure and criteria. The Company has not received any proposal from any shareholder and the same was informed to the Board at their first meeting held in January 2016.



IVL will continue to provide opportunities for the minority shareholders to participate in fundamental corporate decisions.

In order to ensure that the shareholders receive the annual audited financial statements and the quarterly reviewed financial results on time, IVL disclosed the annual audited financial statements (2014) and the three reviewed quarterly financial statements of 2015 on the same day of its approval by the Board of Directors and or Audit Committee through the website of the Stock Exchange of Thailand and also through its website - [www.indoramaventures.com](http://www.indoramaventures.com), both in English and Thai.

IVL ensures regular and timely disclosures through its website and also through the SET about all relevant information like the Annual Report, Form 56-1, Shareholders’ Meeting resolutions, important Board resolutions, acquisition updates, opportunity day presentations, analyst reports, press releases and other relevant information about the Company and its subsidiaries in an effort to keep the shareholders timely and adequately informed.

IVL strongly believes in the participation of its shareholders and the vital need for them to understand the operation and business activities of the Company and its subsidiaries and to interact with the management. The Company organized two visits by the Shareholders’ to its plants. The first trip was organized on July 15, 2015 to visit the factories at Lopburi and the second trip was organized on October 20, 2015 to visit the Polyester plant at Rayong. Such annual visits shall continue to be organized in future.

Shareholders were notified more than 30 days before the shareholders meeting. Each shareholder received complete and adequate information on the criteria and procedure of the meeting. The AGM was held on April 24, 2015 and the Notice was issued out on March 23, 2015.

All information sent to the shareholders was posted on the Company's website both in English and Thai on March 18, 2015 more than 30 days before the meeting date. The shareholders were provided the facility to download the relevant information including the proxy forms.

Notice of the meeting was also communicated through the SET on the March 17, 2015.

The shareholders were given the opportunity to submit questions in advance regarding the agenda, together with comments if any, from the date they were notified of the meeting. The procedure for submitting such questions was clearly mentioned in the Notice to the meeting.

IVL shareholders were encouraged to attend the AGM in person or by proxy. In case of proxy, shareholders could either appoint their authorized person or any one of the four Independent Directors nominated by the Company in this regard. The profiles of the Independent Director(s) were attached to the notification of the meeting.

The venue of the AGM was at a central location easily accessible to all and a map of the location was provided in the Notice to the Meeting. The meeting was held from 2.00 pm in the afternoon.

On the meeting date the Company arranged for the shareholder registration to start more than two hours before the meeting. Preparation of the venue, greeters and appropriate number of registration staffs were arranged to assist the shareholders in the registration process. The registration continued even after the meeting started in order to ensure the participation of all shareholders who came to attend the meeting.

The Company had detailed which documents were necessary for shareholders to present on the meeting date in order to have the right to attend

the meeting, including the designated proxy form and shareholders were assisted by the Company staffs.

A barcode scanning system was used for registration, allowing for a quick and efficient registration process. Barcoded ballots were handed out to each shareholder for voting.

To enable shareholders to make decisions, IVL provided adequate information in the Notice to the meeting on the agenda items.

Following the feedback from the last shareholders meeting, the Company deployed simultaneous translation into Thai language at the Shareholders' Meeting No. 1/2015 held on April 24, 2015.

## **b) Re-appointment of Retiring Directors**

In 2015, five Directors on the Board retired by rotation and agreed to be re-appointed for another term. In this regard they signed a consent form to the NCCG Committee to consider their re-appointment. The NCCG Committee after considering the experience and contribution of the Directors retiring deemed it appropriate to re-appoint them for another term and recommended the same to the Board.

Profiles of the five Directors retiring and offering themselves for re-appointment together with their name, age, type of directorship, family relationship with other directors, educational background, director training, working experience, positions held in other listed organizations, position in competing company/connected business that may cause conflict of interest, number of years as director of the Company, shareholding, legal disputes, meeting attendance and the opinion of the Board, in order to facilitate the voting of the shareholders.

No Director of the Board has been proposed by major Shareholders.

The re-appointment of retiring Directors was approved by the Shareholders on the basis of the "One share one vote" method.

Minority shareholders were given the opportunity to nominate qualified individuals to be elected as Directors of the Company before the AGM for a period of over 90 days but the Company did not receive any proposal from them.

### ***Independent and Non-Executive Directors***

The Board reviewed and recommended to the shareholders the remuneration of the Independent and Non-Executive Directors for 2015 and the annual bonus for all IVL Directors payable in 2014 as recommended by the NCCG Committee.

The Policy followed by the NCCG Committee to recommend to the Board and Shareholders' the compensation and benefits of Independent and Non-Executive Directors are as follows:

## **c) Approving Directors Remuneration**

- Compensation should fairly pay directors for work required in a company commensurate with the size and scope of the work;
- Compensation should, if possible, align directors' interests with the long-term interests of shareholders;
- Structure of the compensation should be simple, transparent and easy for shareholders to understand.
- Compensation for Non-executive Directors and Independent Directors is inclusive of monthly retainer fee and annual bonus based on the previous year's Company performance.
- Additional compensation will be paid to directors serving on various sub committees.

To implement the policy, the Committee designs an appropriate compensation package based on comparable listed Companies with the following criteria:

The remuneration of the Chairman of the Board and Chairmen of the sub-committees who are either independent or Non-Executive Directors is calculated at approx. 1.5 times of the other members.

In determining the bonus payable to all Directors' the NCCG Committee assesses the individual performance annually based on their contribution, responsibilities, expertise and attendance. This assessment is undertaken by way of a Director Self Evaluation Form.

The total bonus is determined in relation to the profit of the Company and uses a point system to allocate amongst the directors as approved by the Board. There was no change in the retainer fee in 2015. No retainer fee is paid to the Executive Directors on the Board of IVL.

Details of remuneration in 2015 paid to the Independent Directors and Non-Executive Directors and the bonus for 2014 performance to all Directors is in the latter part of this report under Director Performance.

The Chairman of the NCCG Committee explained the above policy and basis of calculation of the remuneration of Independent and Non-Executive Directors to shareholders at the 2015 Annual General Meeting.

#### ***Executive Directors and Management***

The policy and criteria for Executive Directors and Management is elaborated in Board of Directors Performance in the later part of this report.

#### **d) Appointing the External Auditor and Approving the Audit Fee**

The name of the audit firm and the auditors' names, independence of the proposed auditors, number of years as the Company's auditor, total audit and non-audit fees paid in 2014 and proposed in 2015, together with the opinion of the Board based on the recommendation of the Audit Committee was detailed in the Notice to Meeting in order to facilitate shareholder voting.

#### **e) Payment of Dividend**

The dividend policy of the Company states that a dividend will be paid at not less than 30% of the net profit after tax and appropriation to the legal reserve.

In compliance with the dividend policy of the Company, the Board proposed a final dividend payout in 2014 at Baht 0.38 per share amounting to Baht 1,829,417,753.10. Out of the said final dividend, an interim dividend of Baht

0.19 per share amounting to Baht 914,708,876.55 was paid by the Company on September 05, 2014 and the Company paid the remaining dividend of Baht 0.19 per share or amounting to Baht 914,708,876.55 on 22 May 2015.



#### **f) Shareholders Meeting**

It is IVL's policy to conduct Shareholders' Meetings properly in accordance with the Articles of Association of the Company and related laws to allow shareholders to exercise their rights fully and in an informed manner.

The annual general meeting of shareholders was organized within four months from the closure of the fiscal year of December. For the fiscal year 2014, the AGM was held on April 25, 2015. The meeting started with 2,012 shareholders in person or proxy and representing 83.67% of the total shares sold. At the close of the meeting there were 2,448 shareholders in person or proxy and representing 83.75%. The meeting started at 2.00 pm and ended at 4.45 pm.

During the meeting, all the shareholders were encouraged to ask questions, express their opinions, suggestions, recommendations and request for additional information to clarify any issues relating to the Meeting.

Prior to starting the meeting, the Chairman and his representative briefed the shareholders on the criteria governing the meeting including the voting procedure. One independent observer from the shareholders' present witnessed the vote counting procedure and she was assisted by the representative from the Company's legal counsel from The Capital law office Limited. In order to make the voting process fast and accurate, the Company used an electronic voting system. For each agenda/sub-agenda separate ballots were provided. After every agenda item was discussed and put to the vote, the ballots were

collected and scanned. The results of the voting for each agenda were declared during the meeting and a summary of the results was presented at the close of the meeting.

The vote counting was carried out in a transparent manner with one share being equal to one vote. Approval of a resolution was based on majority of votes as there was no special resolution which would require three fourths of the eligible votes.

During the meeting, the Company did not introduce any unexpected important information or any new agenda items that were not notified to the shareholders earlier.

The Company ensured that all shareholders were accommodated to attend the meeting even beyond the specified time limit. The Chairman of the Board chaired the meeting. There were 13 out of 14 Directors present including the Group Chief Executive Officer (GCEO), Chairman of the Audit Committee, Chairmen of NCCG Committee, the external auditors, the internal auditor of the Company, the legal counsel of the Company and senior management team members attending the meeting.

The Chairman gave the shareholders sufficient opportunity to ask questions and make recommendations about the operations, financial matters and other issues of the Company without prejudicing the rights of any Shareholder. The Chairman, GCEO, Chairman of the Audit Committee, Chairman of the NCCG Committee, Chairman of the Sustainability Committee and the management team provided clarifications during the meeting and met the shareholders informally after the meeting.

All the agenda items were passed by an average of around 99% of the total eligible votes. The resolution of the meeting including the number of votes cast was disclosed through the SET website on the same day of the meeting.

Comprehensive Minutes of the meeting were recorded. They included names of Directors who attended and who did not attend the meeting, summary of questions asked, important explanations and clarifications, and the voting results of each agenda and sub-agenda divided into for/against/ abstained. The Minutes were submitted to the SET within the required time frame of fourteen days after the AGM date.

A copy of the Minutes was also posted on the Company's website at the same time.

### **g) Reporting of and Trading in IVL Securities**

The Company has a written policy in place on reporting of and trading in IVL securities. Under this policy no director or "management" shall directly or indirectly trade in IVL securities during the period of 15 working days prior to and two working days subsequent to the date of filing with the SET of the quarterly and annual financial statements of the Company. Further, if any director or "management" trades in IVL securities, they have to report to SEC in the prescribed form within three working days and inform the Company Secretary's Department. Every Quarter a summary of the shareholding of Directors and "management" is reported to the Board.

### **h) Code of Conduct for Directors and Employees**

The Company has a Code of Conduct for Directors and employees, approved by the Board and communicated to everyone. The Company through this Code of Conduct strives to achieve observance of ethical practices, honesty, and accountability, as well as a responsibility to all stakeholders and external agencies.

In 2015, all employees have been made aware of the Code of Conduct and all new employees are given a copy of the company's policies including the code during their induction.

The Board of Directors of IVL have all read and signed the Directors Code of Conduct.



### **i) Anti-Corruption and Bribery**

The Company's Code of Conduct for Directors and Employees explains among other things the company's strong position against bribery and corruption. As a global company, IVL would like to ensure that it reaches the highest level of governance and for this reason the Company has stipulated that it will abide by strict policies regarding corruption and bribery.

To demonstrate its firm commitment against corruption and bribery the Board of Directors approved the Anti-Corruption Policy of the Company.

The Company also adheres to the UK Bribery Act and all local, national and international laws where appropriate.

Indorama Ventures received CAC Certification in October 2014. The company has adopted an anti-corruption framework, including policy awareness and implementation of compliance that has led the company to create an anti-corruption culture in the company and helped it to become one of the Collective Action Against Corruption (CAC) certified companies in Thailand.

To provide employees with straightforward communication regarding our firm's zero tolerance of corruption, as well as to address practical guidelines and specific forms of corrupt activities that may arise in the course of the company operations. The company commenced conducting anti-corruption training at the Head Office and all Thai sites, and separately run in Thai and English languages for the benefit of all employees. Over 600 employees have been covered by our training courses. Educational materials were distributed to participants during training.

Anti-corruption educational materials and policies have been uploaded on the company's website and disseminated to overseas units to ensure that our policies are well communicated, and the same standard practice made available worldwide.

To support the continued effort and monitor the implementation of the anti-corruption policy, the Internal Audit Department conducts checks across all units and functions and reporting its findings to the Audit Committee.

A Chief Risk Officer was appointed to oversee all risks, including the risk of corruption and bribery, and has been tasked with monitoring, evaluating and recommending actions related to the anti-corruption and anti-bribery efforts of the company.

The CGPAC Committee continuously monitors the progress of training and awareness at all IVL sites.

The CGPAC committee has reviewed and identified gaps in the rollout of the awareness campaign and the new CG Section Head has created an action plan to close said gaps.

## j) Connected Transactions

The Company has in place a detailed policy on connected transactions which is stringently followed. The policy states who is a connected party and what constitutes a connected transaction, the various types of connected transaction and their threshold criteria/values for approval and disclosure purpose and what procedures to follow when there is a new connected transaction. The guideline is circulated at the beginning of each year in order to remind all concerned about the compliance requirements regarding connected transactions. The Internal Audit Department ensures all connected transactions follow the rules and regulations as prescribed by SEC/SET and the internal policy guidelines. Any proposed new connected transaction is brought to the notice of the Internal Audit Department who after their verification forwards to the Audit Committee with their recommendation through the Secretary of Audit Committee. The Audit Committee after their review will recommend to the Board. Without IVL Board approval, no new connected transaction can be made effective. At every quarterly meeting of the Audit Committee and Board of Directors, a statement of all the continuing connected transactions of the Company and its subsidiaries is submitted for acknowledgement.

However, the Company and its subsidiaries may have connected transactions with their Directors, management or potential connected persons. As a result, the Board of Directors Meeting approves, in principle, that the management is empowered to approve such transactions under reasonable, transparent and non-corrupt conditions, provided that such transaction is categorized as a transaction with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances, on the basis of commercial negotiation (general trading conditions) and without any dependent interest resulted from the status of director, management or connected person, as the case may be.

Any Director who is directly or indirectly interested in any transaction abstains from discussions and voting.

The Company has not given any financial assistance or guarantee to any external party.

Summary of Connected Transactions is reported separately in the Annual Report.

## Role of Stakeholders

IVL gives equal importance to all of its stakeholders both internal and external such as shareholders, personnel, business partners, customers, competitors, creditors, communities, the environment and society. The Company is fully aware that support from each stakeholder will sustain and reinforce its competitive advantage and profitability.

It is the policy of IVL to safeguard their rights by strictly complying with applicable laws and regulations and to take into consideration their interests.

IVL has issued the following Stakeholder policies:

- Policy on the Treatment of Shareholders
- Policy on the Treatment of Customers
- Business Partners and Competitors Policy
- Environment Policy
- Human Rights Policy
- Intellectual Rights Policy
- Trading Partners and Creditors Policy
- HIV-AIDS Policy
- Hygiene and Safety Policy
- UK Bribery Act
- Whistleblower Policy
- Anti-Corruption Policy
- Supplier Code of Conduct

The Supplier Code of Conduct has been implemented in order to encourage the Company's supply chain to acknowledge and implement universal standards.

The CGPAC Committee receives periodical reports from business units on the implementation status.

In 2015 the next phase of supply chain management was implemented and included customers.

These policies have been circulated globally and uploaded to the Company's website.

As part of the CGPAC initiative and in order to develop and improve the relationship between IVL and its stakeholders, the management will on a continuous basis reinforce that everyone working at IVL is aware of and understands all the stakeholder related policies and that they are implemented in the spirit that they were created through continuous program of training, seminars and monitored implementation

The policies are reviewed annually and changes are implemented as required.

The Company publishes a sustainability report every year. This is available on the Company's website in the corporate document section.



- **Shareholders:**

IVL and its subsidiaries strive to conduct its business in a transparent and efficient manner with a view to enhancing shareholder value and returns. We will seek new businesses and projects that are accretive to shareholder value only.

- **Customers:**

IVL and its subsidiaries will strive to maintain and strengthen its long-term and loyal relationships with its customers and is determined to ensure customer delight by providing high quality products and services that best fit customer needs at competitive prices, supported by a

high standard of service and accurate information regarding our operations and products.

The Company believes in and will strive to keep communication channels open for constant customer feedback.

- **Personnel:**

All personnel of IVL and its subsidiaries are considered to be valuable assets, critical to the growth and profitability of the Company and its subsidiaries, and strive to provide a conducive and quality oriented work environment with utmost emphasis on safety along with fair and equitable compensation compatible with similar businesses.

The Company gives importance to developing skills, knowledge and potential of its employees, and strives to build a work environment that is rich in diversity and will attract and retain high performance employees.

The Company and its subsidiaries provide an orientation program for all new employees and development programs thereafter to develop and refresh their skills. All employees receive training in environmental issues and encouraged to involve themselves in local environmental conservation and preservation projects in the local area.

As the Company operates globally, each of its facilities has its own employee welfare policy which is in line with local laws and regulations.

The Company has comprehensive policies on compensation and welfare for employees across all its global locations. These follow the local rules and regulations of the country where they are situated.

Indorama Ventures strongly believes that its employees are the foundation of its success and therefore their continued development is a key to its sustainability as a business. Among other issues, the company develops employees to have a keener understanding of the environment and their impact on it.

*The details of Indorama Ventures' compensation and training activities are provided below in the section on "People" at the end of this report.*

- **Business Partners:**

IVL and its subsidiaries foster symbiotic, long-standing and growing relationships with all its business partners, based on mutual benefit and guided by good business ethics. We also want to work with business partners who operate in a fair, honest, and socially responsible manner. We feel strongly that we have a responsibility to ensure that consumers can trust the safety and quality of our products. Business partners are expected to provide goods and services that meet all government and agreed-upon quality and safety standards.

Just as we have set standards for our business through our policies, we expect our partners, in addition to complying with all environmental regulations, to share our commitment to use resources responsibly; eliminate and reduce waste; minimize their carbon footprint; offer a selection of natural, organic, and eco-friendly products and develop facilities that align environmental, community, and business needs.

They should ensure that they adopt and implement acceptable safety, product quality, labor, human rights, social and legal principles in line with our own policies and to ensure these issues are adequately managed within the business for any goods or services supplied to us.

We have set ethical boundaries for ourselves and expect our partners to comply with them, acting with integrity and lawfully in the handling of competitive data, proprietary information and other intellectual property, and complying with legal requirements regarding competition, antitrust, and accurate and truthful marketing.

- ***Intellectual Property:***

The Company is aware of the importance of intellectual property and strictly forbids the use of illegal software and any misuse of the intellectual property of others.

- ***Creditors:***

IVL and its subsidiaries attempt to provide its creditors with all full and accurate information about the progress of the Company, as required for smooth business dealings and to comply with all its obligations.

Moreover, we want to see our creditors adhere to business principles consistent with our own and ensure that their products and services are produced and delivered to comply with all legislation relevant to their business in the areas where they operate.

- ***Community, Environment & Society:***

IVL and its subsidiaries care about the safety of society, the environment, and the quality of life of people associated with all its operations and strives to comply with applicable laws and regulations.

IVL and its subsidiaries try to actively participate in all activities that support and care for the environment and society and promote the cultures in which the Company operates.

IVL and its subsidiaries treat and dispose of waste in a manner that will have the least impact on society, environment and people.

IVL has taken various steps towards the sustainability of not only the Company, but of the community as a whole. We want to ensure:

- A consistent supply high quality products and services to our customers
- That we create value for our investors
- That we provide a favorable working environment
- That we are a good community neighbor
- That we minimize the environmental footprint we leave behind

We are committed to meet and surpass the environmental laws and regulations pertaining to each business and region, with periodic analysis and third party inspection conducted in each plant.

- ***Competitors:***

IVL and its subsidiaries will act within the rules with respect to its competitors and employ best practices in dealing with them, as well as working towards market development and growth for the benefit of the industry as a whole.

- ***Whistleblower Policy:***

The Company has a “Whistleblower” policy that allows all employees the opportunity to raise issues on any unethical practice (whether or not a violation of law), to a Whistleblower Committee without necessarily informing their line managers and without revealing their identity. The Policy has been communicated to all employees globally and uploaded to the Company website. Employees may contact the committee via e-mail to [ethics@indorama.net](mailto:ethics@indorama.net), or by telephone or conventional mail directed to the Whistleblower Committee at the Head Office in Bangkok. In return, the committee guarantees the protection of whistleblowers in that their identities remain confidential under all circumstances and no action will ever be taken against a whistleblower for any reason what soever. This information has been delivered to all business units. During 2015, three contacts were made to the Whistleblower Committee and all were investigated. The results of the investigations and the actions taken were reported to the NCCG Committee and the Board of Directors.

- ***Complaint Filing Channel for Stakeholders***

The company has opened a channel for all stakeholders to bring concerns to independent directors via the e-mail [independentdirectors@indorama.net](mailto:independentdirectors@indorama.net). This channel may also be used by internal and external stakeholders to raise complaints or comments on any issues.

Both the Whistleblower Committee and Independent Directors contact details are prominently given on the company website under the Corporate Governance section.

### **Disclosure and Transparency**

It is IVL’s policy to deliver all-important information relevant to the Company, both financial and non-financial that may have an impact on the interests of the shareholders or any decision to invest in the company or not. All such information is disclosed sufficiently, accurately, on a timely basis and transparently through easy-to-access channels that are fair and trustworthy and all such information complies with the relevant rules of the SEC/SET.

The communication channels used are: the Annual Report, Form 56-1, Management Discussion and Analysis (MD&A), press releases, the SET's website, shareholders' meetings, analysts' meetings and the Company's own website.

The designated executives that can disclose information about IVL include the Group Chief Executive Officer (Group CEO), the Company Secretary's Department and the Investor Relations and Corporate Communications Department. They provide information to interested parties on various occasions such as one-on-one meetings with shareholders, creditors, analysts, quarterly meetings with analysts to discuss the recent financial performance, road shows and others.

The Nomination, Compensation and Corporate Governance Charter defines the policy on nomination of Directors of the Company and the policy on remuneration of Directors and management of the Company which is followed by the NCCG Committee and management team.

In the section above on **Re-Appointment of Retiring Directors and Approving Remuneration of Directors** the key highlights of the policy and criteria of nomination and remuneration are stated.

For remuneration of management the policy and criteria is stated below in the "remuneration" section under Board Performance.

The Charters and Policies of the Company are reviewed annually by the Board. The following were revised and approved by the Board at their meeting in February 20, 2015.

- Charter of the Board of Directors
- Charter of the Audit Committee
- Anti-Corruption Policy
- Whistleblower Policy
- Human Rights Policy

They were communicated to all employees globally and uploaded on the Company website.

The Company gives utmost importance to its website, which is both in Thai and English, and regularly reviews it to ensure all information provided is current and up-to date.

For better understanding of the industry, the Annual Report for 2015 has included in the Business Description an explanation of the Company's position in the industry and a description of the Company's major competitors globally.

In 2015, and all previous years, the Company has never been accused by the SEC/SET of breaching any disclosure rules and regulations.

The following information on the Company website is regularly updated:

Vision, Mission, Value Statements, financial statements, analyst reports, press releases, annual report, corporate structure, IVL Board and management structure, shareholding structure and major shareholders. Form 56-1 is updated every year and includes detailed information on business operation, financial status, risks, litigations, capital structure, including information on ultimate shareholding. The Company maintains a calendar of all major events that investors or shareholders may wish to attend.

The Company has a designated department for Investor Relations for disclosing essential information to investors on matters relating to financial reporting and others. An annual investor relations plan is established and the executive in charge is involved in various investor relations activities including but not limited to periodical plant visits for the benefits of shareholders, investors and analysts etc. Also regular investor meetings are organized.

To contact the Company's Investor Relations Department, the general public may call (+66) 2 661 6661 ext. 680 or email to richard.j@indorama.net. The details are provided on the Company's website.

A statement on the Board's responsibility concerning the Company's financial report is disclosed in the Annual Report, which mentions among other things that the Company complies with generally accepted accounting principles and that accounting standards and practices used are appropriate and consistent to the nature of the business. It also states that all information presented in the financial reports is accurate, complete and adequate. The Chairman of the Board and the Group CEO sign the statement.

The individual shareholdings of Directors, Management, including their spouse and minor children for the period January 1, 2015 to December 31, 2015 was as follows:

## Report of Changes in Securities Holding of the Company's Directors and Executive as at December 31, 2015

| No. | Name                                                      | Ordinary Shares (Shares) |                                                    |               |                   |            |
|-----|-----------------------------------------------------------|--------------------------|----------------------------------------------------|---------------|-------------------|------------|
|     |                                                           | As at 31 Dec 2014        | Changes in 2015                                    |               | As at 31 Dec 2015 |            |
|     |                                                           | No. of Shares            |                                                    | No. of Shares | No. of Shares     | %          |
| 1   | Mr. Sri Prakash Lohia<br>Spouse and Minor Children        | -<br>-                   | Acquisition/Disposition<br>Acquisition/Disposition | -<br>-        | -<br>-            | -<br>-     |
| 2   | Mr. Alope Lohia<br>Spouse and Minor Children              | 10<br>-                  | Acquisition/Disposition<br>Acquisition/Disposition | -<br>-        | 10<br>-           | 0.000<br>- |
| 3   | Mrs. Suchitra Lohia<br>Spouse and Minor Children          | -<br>10                  | Acquisition/Disposition<br>Acquisition/Disposition | -<br>-        | -<br>10           | -<br>0.000 |
| 4   | Mr. Amit Lohia<br>Spouse and Minor Children               | -<br>-                   | Acquisition/Disposition<br>Acquisition/Disposition | -<br>-        | -<br>-            | -<br>-     |
| 5   | Mr. Dilip Kumar Agarwal<br>Spouse and Minor Children      | 0<br>-                   | Acquisition/Disposition<br>Acquisition/Disposition | 100,000<br>-  | 100,000<br>-      | 0.002<br>- |
| 6   | Mr. Udey Paul Singh Gill<br>Spouse and Minor Children     | -<br>-                   | Acquisition/Disposition<br>Acquisition/Disposition | -<br>-        | -<br>-            | -<br>-     |
| 7   | Mr. Sanjay Ahuja<br>Spouse and Minor Children             | -<br>-                   | Acquisition/Disposition<br>Acquisition/Disposition | -<br>-        | -<br>-            | -<br>-     |
| 8   | Mr. Rathain Srimongkol<br>Spouse and Minor Children       | 262,000<br>-             | Acquisition/Disposition<br>Acquisition/Disposition | -<br>-        | 262,000<br>-      | 0.005<br>- |
| 9   | Mr. Maris Samaram<br>Spouse and Minor Children            | -<br>-                   | Acquisition/Disposition<br>Acquisition/Disposition | -<br>-        | -<br>-            | -<br>-     |
| 10  | Mr. William Ellwood Heinecke<br>Spouse and Minor Children | 3,669,132<br>-           | Acquisition/Disposition<br>Acquisition/Disposition | 375,800<br>-  | 4,044,932<br>-    | 0.084<br>- |
| 11  | Dr. Siri Ganjarerndee<br>Spouse and Minor Children        | -<br>-                   | Acquisition/Disposition<br>Acquisition/Disposition | -<br>-        | -<br>-            | -<br>-     |
| 12  | Mr. Kanit Si<br>Spouse and Minor Children                 | 100,000<br>-             | Acquisition/Disposition<br>Acquisition/Disposition | 100,000<br>-  | 200,000<br>-      | 0.004<br>- |
| 13  | Mr. Chakramon Phasukavanich<br>Spouse and Minor Children  | -<br>114,944             | Acquisition/Disposition<br>Acquisition/Disposition | -<br>(12,944) | -<br>102,000      | -<br>0.002 |
| 14  | Mr. Russell Leighton Kekuewa<br>Spouse and Minor Children | 200,000<br>-             | Acquisition/Disposition<br>Acquisition/Disposition | 759,000<br>-  | 959,000<br>-      | 0.020<br>- |
| 15  | Mr. Sunil Fotedar<br>Spouse and Minor Children            | -<br>-                   | Acquisition/Disposition<br>Acquisition/Disposition | -<br>-        | -<br>-            | -<br>-     |
| 16  | Mr. Satyanarayan Mohta<br>Spouse and Minor Children       | -<br>-                   | Acquisition/Disposition<br>Acquisition/Disposition | -<br>-        | -<br>-            | -<br>-     |
| 17  | Mr. Manoj Kumar Sharma<br>Spouse and Minor Children       | -<br>-                   | Acquisition/Disposition<br>Acquisition/Disposition | -<br>-        | -<br>-            | -<br>-     |

## Reporting

IVL has in place a reporting policy for all directors and management, that they report their shareholding every quarter to the Company Secretary, who in turn writes a summary for the Board. The shareholding includes themselves, their spouses and minor children. Any trading of IVL securities must be reported immediately to the Company Secretary, who then arranges for a filing to the Securities Exchange Commission within the specified time period.

IVL has set a black out period for trading in IVL securities. Every quarter, the Company Secretary informs the Directors and Management of the blackout period.

## Responsibility of the Board

### 1. *Responsibility and Duties of the Board of Directors*

The Board of Directors of IVL has the vision, mission, value statement, plans, strategies, key policies and budgets of the Company with a view to effectively and efficiently managing the business for maximum shareholder value. Detailed budgets and plans are formulated for the Company and its subsidiaries. The Board closely monitors the management and implementation of business plans to achieve targets. The Board also sets internal controls and audit procedures, including risk management. All major CAPEX requires the approval of the Board. Detailed presentations are made by the respective business segment head.

At the beginning of each year the Board holds a Strategy and Annual Business Plan meeting and at the meeting the Vision and Mission statement is reviewed along with the Strategy as presented by management.

At the Board meetings and the many informal meetings with the Group CEO and senior management the Board gets updated on the business performance, strategy vis-à-vis targets and industry trends. Based on such meetings, the Board provides their thoughts and recommendations. The management updates are based on the regular Executive Committee meeting that each business segment holds on the operating performance.

The Board requires each business head to explain the details of why their business fell below target and the plans to improve performance. The Board follows up on the action plan status in subsequent meetings.

The Board has guidelines on Stakeholder business ethics as a part of the policies issued by the company and monitors the effective implementation of good business practice and ethics using several tools such as customer and supplier surveys, results of employee training feedback surveys and others.

The Board through the Audit Committee, internal auditor, and compliance department reviews potential conflicts of interest. The internal guidelines of the Company on related party transactions and the relevant rules and regulations of SET/SEC provide a basis for avoiding conflicts of interest. Details of all related party transactions are updated in Form 56-1 and reported in the Annual Report. Those Board members who have an interest in a matter that might involve a conflict of interest must abstain from voting and other involvement, as prescribed by the Board. Company policy prohibits personnel at all levels from using inside information for personal benefit with all business decisions based on achieving the maximum benefit for the Company and its subsidiaries.

The Board every year evaluates the efficacy and sufficiency of the Internal controls of the Company by reviewing the Evaluation Form of Sufficiency of Internal Control Systems for IVL and its subsidiaries.

The Board held a special session in January to consider and approve the Strategic Plans of business units in the group. This provided the opportunity to meet and interact with senior executives from around the World including executives from new acquisitions.

The Company held its annual Capital Markets Day in January 2015 to apprise investors from both buy and sell side of the work completed by the management over the course of the year. Senior management from global business units was introduced to investors, who had the opportunity to raise questions about the business.



### **Other Roles and Responsibilities of the Board**

- To conduct their duties in compliance with the laws, objectives, articles of association and resolutions of shareholders' meetings with duty of care and duty of loyalty.
- To formulate and approve the vision, strategies, business directions, policies, targets, guidelines, plans of work and budget of the Company and its subsidiaries as prepared by management and oversee the administration and the performance of the management or any persons assigned to do such work to ensure compliance with the policies set out by the Board of Directors.
- To follow-up the outcome of work to ensure compliance with the plan and budget on an ongoing basis.
- To ensure that the Company and its subsidiaries adopt and set in place an appropriate, strong and effective accounting system including an internal control and internal audit system.
- To review the risk management procedures and policies and also follow up on the results.
- To set in place the corporate governance policy and its effective implementation.
- To appoint the sub-committees such as Audit Committee, Nomination, Remuneration and Corporate Governance Committee, or any other sub-committees in order to assist the Board of Directors duties.
- To appoint the senior executive positions of the Company such as Chairman of Executive Committee, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer and any other senior officer as deemed necessary.

- To appoint the Company Secretary to assist the Board of Directors in its various activities to run the business in line with the related laws and regulations.
- To seek professional opinions from external agencies, if required in order to take appropriate decisions.
- To encourage directors and executives to attend the seminar program of Thai Institute Directors Association (Thai-IOD) in the course that related to their duties and responsibilities.

In any case, the authorization of duties and responsibilities of the Board of Directors of the Company shall not constitute an authorization or sub-authorization which may cause the Board of Directors of the Company or its authorized person(s) to be able to approve any transaction that such person or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory Board) may have an interest or may benefit in any manner or may have any other conflict of interest with the Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the shareholders meeting or the Board of Directors meeting. In order to achieve a balance of power, the position of the Chairman of the Board and that of the Group CEO are different. The Chairman of the Board of Directors is a Non-Executive Director.

## 2. Board Structure

There are 14 Directors on the IVL Board comprising of five Executive Directors, two Non-Executive Directors and seven Independent Directors. The Board has a diversity of nationalities, genders, ages and skills. It does not discriminate against female directors and hires according to availability and qualifications.

The Board structure is appropriate in relation to the size of the Company, number of Executive, Non-Executive and Independent Directors and qualification in terms of knowledge and expertise and provides a fair balance of power and effective management monitoring. The Company intends to maintain this broad base of knowledge and experience when it searches for new Directors in future. The Board has a policy to seek the services of a professional search firm when necessary to replace or nominate a new director. The role of the Board is clearly set out in the Board of Directors Charter.

### Role and Responsibility of Chairman

The principle role of the Chairman of the Board is to ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy.

The Chairman plays a pivotal leadership role in ensuring that the Board works effectively. The key roles of the Chairman are:-

- Determining the composition, size and structure of the Board in order to create a balance between executive directors and independent directors.
- Ensuring the Board and its committees are properly established, composed and operated.
- Ensuring the effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
- Ensuring the participation of the executives, non-executives and independent directors in the Board's decision processes and activities.
- Ensuring the whole Board plays a constructive part in developing and determining the Company's strategy and objectives.
- Ensuring comprehensive induction programs for new directors.
- Acting in the key role of governing the Board and fostering teamwork and mutual dedication for the sustainable success of the organization.



- Engaging the Board regularly in assessing and developing its performance and communicating expectations to directors and manage directors' performance.
- Ensuring that the company has succession plans for senior executives.
- Acting as Chair at the Board's and Shareholders' meetings together with setting the agenda in consultation with the management and the Company Secretary.
- Ensuring that Board members receive accurate, timely, and sufficient information for Board meetings.
- Ensuring that there are sufficient channels for effective communication between the Board members, management and shareholders.
- Providing independent advice to the management and Board.
- Appointing the Company Secretary to assist with Board functions.

In the Directors' profile, IVL discloses its director's names, profiles, qualifications, experience, and shareholding in the Company to demonstrate the Board's knowledge, competence, qualification and experience via the Annual Report and its website. It also mentions which Director is independent, executive, non-executive or represents a major shareholder.

The profile mentions the Board membership (s) of other companies held by the Directors.

The Board has appointed the Company Secretary in order to meet the requirements of the SEC/SET regulations. The Company Secretary is responsible for matters

connected with meetings of the Board and shareholders and to advise the Board on law and regulations that the Board must know to effectively perform its duties and to administer the Board's activities and ensure Board and Shareholders' resolutions are complied with.

### 3. Charters

The Company has in place the following Charters:

- Board of Directors
- Audit Committee
- Nomination, Compensation and Corporate Governance Committee (NCCG)
- Sustainability and Risk Management Committee (SRMC)

The Charters are all uploaded on the Company website under the Corporate Governance section.

The SRMC Charter was revised and approved by the Board on August 7, 2015.

The Audit Committee Charter was revised and approved by the Board on February 19, 2016 to reflect further recommendations of good governance.

### 4. Other Directorships

The Board Charter specifies the outside Directorship for Executive, Non-Executive and Independent Directors. Details are provided in the section "Selection and appointment of Directors" at the beginning of this report.

None of the Directors of IVL have breached the above Directorship criteria in 2015.

### 5. Retirement of Directors

One third of the Directors retire by rotation at every Annual General Meeting as specified in the Articles of Association of the Company. A retiring director is eligible for re-election. Voting for appointment/re-appointment of Directors is done individually. The Company provides a detailed profile of the retiring Director who has given his consent to be re-appointed in the Notice to the Shareholders' meeting.

The Board and the NCCG Committee after due deliberation has acknowledged and will take into consideration the IOD recommendation of independent directors term of service as published from time to time and will annually decide if certain director/s will retire based on additional criteria i.e. expertise in our business, contribution by the director, health of the individual as well as the availability of a suitable replacement director.

### 6. Evaluation of Performance

The Board and subcommittee members carried out a self-evaluation on the Board and sub-committee performance in 2015. The results were summarized and discussed at the Board meeting held in February 2016. The Board and subcommittee members were evaluated as having given very good performance rating in 2015.

For the self-evaluation on the Board, the Company follows the guideline prescribed by the SET which is based on the following six criteria namely a) structure and characteristic of the Board b) role and responsibility of the Board c) Board meetings d) the Board's performance of duties e) relationship with management f) self-development of directors and executive development.

The Chairman of the Board through the NCCG Committee does an individual assessment of all Directors based on the following criteria.

- Supports the mission, vision and aims/objectives of this organization.
- Understands IVL's main business and does not intervene in the objectives or work for any competitor
- Understands the role of the Board and the legal and ethical responsibilities of a Board member
- Usually attends regular and special board meetings and other events requiring board participation.
- Studies the agenda items before attending the meeting and ensures that information is sufficient to proactively consider the agenda
- Carefully reviews all the minutes of the each Board of Directors and Shareholder meetings
- Examines all documents relating to all matters that concern the board of directors. If something is not clear, he/she asks the management to explain as quickly and clearly as possible
- Raises questions on important matters and gives suggestions and recommendations to the management
- Carry out other committee responsibilities in an effective and timely manner.
- Ensures management's accountability to shareholders; preserves their rights and interests; clearly and fully discloses information
- Attends all Board meetings and makes decisions on significant activities by the Company concerning the acquisition and disposition of assets, investment project expansion, policy implementation, and/or risk management etc.
- Avoids participation in board issues where it may be perceived there is a conflict of interest.
- Avoid other positions or jobs that may have led to conflicts of interest with the Company.
- Accepted only those positions as director or non-executive director on the Board of listed companies that allow sufficient time to attend meetings.
- Willing to participate in development opportunities, including workshops, information sessions and conferences, and in taking on new roles.
- Enjoys service as a Board member in the organization or actively works to change the issues or activities which are a barrier, or reconsidering commitment to the organization.

#### For Independent Directors

- Demonstrates independence of thought and judgment in order to protect the interests of all Shareholders.

#### 7. Functional Performance

The Board of Directors held six meetings during 2015. The Company generally proposes to schedule a minimum of five meetings a year. Typically, a meeting is convened every three months with extra meetings convened as and when necessary to review operations, financial matters, plans, or other matters. Prior to the close of each year a schedule of meetings for the next year is circulated to the members to fix the meeting dates well in advance and also to ensure maximum participation. All the independent Directors met on February 13, 2015 to review and discuss the Company's performance and other matters. The Independent Directors thereafter met the Group CEO and discussed with him the outcome of their meeting. A similar meeting of the Independent Directors will be held on 12 February 2016.

The Chairman, Group CEO and Company Secretary set the Board meeting agenda and the Company Secretary sends invitation letters together with the agenda and relevant documents to the Directors at least seven days prior to the meeting to allow adequate time for the Directors to study the information.

At each Board Meeting, the Chairman allows each Board member to express his or her views and management to answer all queries in full. If desired, Directors can request for additional information from a designated person.

Detailed minutes are prepared for each meeting, which includes

- the meeting date
- time of meeting commencement and completion
- name of Directors who attended or were absent from the meeting
- summary proposals to the Board on each issue,

- a brief report of the discussion
- each Director's observations
- the person authorizing the minutes

The Minutes are circulated within 14 days of the Board meeting.

The summary of Minutes of all subsidiary companies' board meetings is attached to the Board papers and provided on CD every quarter in order for the Board members to gain full knowledge of the activities at the various locations.

The following are the details of attendance of the Board of Directors' meeting in 2015

| Name                               | Attendance/Total Meetings |
|------------------------------------|---------------------------|
| 1. Mr. Sri Prakash Lohia           | 4/6                       |
| 2. Mr. Aloke Lohia                 | 6/6                       |
| 3. Mrs. Suchitra Lohia             | 6/6                       |
| 4. Mr. Amit Lohia                  | 3/6                       |
| 5. Mr. Sashi Prakash Khaitan*      | 2/6                       |
| 6. Mr. Dilip Kumar Agarwal         | 6/6                       |
| 7. Mr. Udey Paul Singh Gill        | 5/6                       |
| 8. Mr. Rathian Srimongkol          | 6/6                       |
| 9. Mr. William Ellwood Heinecke    | 6/6                       |
| 10. Mr. Maris Samaram              | 6/6                       |
| 11. Dr. Siri Ganjarendee           | 5/6                       |
| 12. Mr. Kanit Si                   | 6/6                       |
| 13. Mr. Russell Leighton Kekuewa   | 6/6                       |
| 14. Mr. Apisak Tantivorawong**     | 5/5                       |
| 15. Mr. Chakramon Phasukavanich*** | -                         |
| 16. Mr. Sanjay Ahuja***            | -                         |

\* Mr. Sashi Prakash Khaitan resigned from the Board of Directors on November 13, 2015.

\*\* Mr. Apisak Tantivorawong resigned from the Board of Directors on August 17, 2015.

\*\*\* Mr. Chakramon Phasukavanich and Mr. Sanjay Ahuja were appointed by the Board of Directors on November 13, 2015.

#### 8. Performance Measurement of Executive Directors, Group CEO and Management

The Group CEO and other executive Directors have their Key Performance Indicators (KPI) set by the Board on the recommendation of The NCCG committee. This takes the form of a Balanced Scorecard. At the end of each year their performance is used in the calculation of their compensation by the NCCG Committee.

For Senior Management Executives the NCCG Committee reviews and approves on an annual basis the evaluation process and compensation structure and assigns the Human Resources department to approve the annual compensation, including salary, bonus and non-equity incentive compensation. Similarly, the line managers will follow the same principles when evaluating their staffs.

Details discussed in the section "*Executive Director, Group CEO and Management Remuneration*" below.

## 9. Remuneration

The current remuneration of Independent Directors and Non-Executive Directors, including bonus, is established based on assignments and responsibilities. Such remuneration proposed by the Board and recommend by the NCCG Committee requires the approval of the Shareholders' Meeting.

The Policy and criteria followed by the NCCG Committee has been explained above in the section on Approving Directors Remuneration.

In 2015, the total annual remuneration approved at the Annual General Meeting of Shareholders No. 1/2015 held on April 24 2015 was an amount of not exceeding Baht 17,200,000.

The actual remuneration paid in 2015 is Baht 16,981,140 against the approved amount of Baht 17,200,000. The details of the remuneration paid are hereunder:

### As Directors of the Company

| No.          | Independent/ Non-Executive Directors | Amount Approved (Baht) | Actual Paid (Baht) |
|--------------|--------------------------------------|------------------------|--------------------|
| 1            | Mr. Sri Prakash Lohia                | 75,000 per month       | 900,000            |
| 2            | Mr. Rathian Srimongkol               | 50,000 per month       | 600,000            |
| 3            | Mr. William Ellwood Heinecke         | 50,000 per month       | 600,000            |
| 4            | Mr. Chakramon Phasukavanich*         | 50,000 per month       | 100,000            |
| 5            | Mr. Amit Lohia                       | 50,000 per month       | 600,000            |
| 6            | Mr. Maris Samaram                    | 50,000 per month       | 600,000            |
| 7            | Dr. Siri Ganjarerndee                | 50,000 per month       | 600,000            |
| 8            | Mr. Kanit Si                         | 50,000 per month       | 600,000            |
| 9            | Mr. Apisak Tantivorawong**           | 50,000 per month       | 400,000            |
| 10           | Mr. Russell Leighton Kekuewa         | 50,000 per month       | 600,000            |
| <b>Total</b> |                                      |                        | <b>5,600,000</b>   |

\* Mr. Chakramon Phasukavanich was appointed by the Board on November 13, 2015.

\*\* Mr. Apisak Tantivorawong resigned from the Board effective on August 17, 2015

### As Audit Committee members

| No.          | Members                | Amount Approved (Baht) | Actual Paid (Baht) |
|--------------|------------------------|------------------------|--------------------|
| 1            | Mr. Rathian Srimongkol | 75,000 per month       | 900,000            |
| 2            | Mr. Maris Samaram      | 50,000 per month       | 600,000            |
| 3            | Dr. Siri Ganjarerndee  | 50,000 per month       | 600,000            |
| <b>Total</b> |                        |                        | <b>2,100,000</b>   |

### As Nomination, Compensation and Corporate Governance Committee Members

| No.          | Members                      | Amount Approved (Baht) | Actual Paid (Baht) |
|--------------|------------------------------|------------------------|--------------------|
| 1            | Mr. William Ellwood Heinecke | 35,000 per month       | 420,000            |
| 2            | Dr. Siri Ganjarerndee        | 25,000 per month       | 300,000            |
| 3            | Mr. Kanit Si                 | 25,000 per month       | 300,000            |
| <b>Total</b> |                              |                        | <b>1,020,000</b>   |

*As Sustainability and Risk Management Committee Members*

| No.          | Members                      | Amount Approved (Baht) | Actual Paid (Baht) |
|--------------|------------------------------|------------------------|--------------------|
| 1            | Mr. Rathian Srimongkol       | 25,000 per month       | 300,000            |
| 2            | Mr. Maris Samaram            | 25,000 per month       | 300,000            |
| 3            | Mr. Russell Leighton Kekuewa | 25,000 per month       | 300,000            |
| <b>Total</b> |                              |                        | <b>900,000</b>     |

*Bonus to Directors for the performance of 2014*

| No.          | Directors                    | Actual Paid (Baht) |
|--------------|------------------------------|--------------------|
| 1            | Mr. Sri Prakash Lohia        | 694,440            |
| 2            | Mr. Alope Lohia              | 694,440            |
| 3            | Mrs. Suchitra Lohia          | 416,670            |
| 4            | Mr. Amit Lohia               | 416,670            |
| 5            | Mr. Sashi Prakash Khaitan    | 555,560            |
| 6            | Mr. Dilip Kumar Agarwal      | 555,560            |
| 7            | Mr. Udey Paul Singh Gill     | 416,670            |
| 8            | Mr. Rathian Srimongkol       | 833,330            |
| 9            | Mr. Maris Samaram            | 555,560            |
| 10           | Mr. Chakramon Phasukavanich  | 277,780            |
| 11           | Mr. William Ellwood Heinecke | 555,560            |
| 12           | Dr. Siri Ganjarerndee        | 416,670            |
| 13           | Mr. Kanit Si                 | 555,560            |
| 14           | Mr. Apisak Tantivorawong     | 416,670            |
| <b>Total</b> |                              | <b>7,361,140</b>   |

*The Executive Directors on the IVL Board and Sub-Committees are not paid any retainer fee.*

**10. Executive Director, Group CEO and Management Remuneration**

The key principles followed by the NCCG Committee in determining the compensation are:

- To review and approve on an annual basis the evaluation process and compensation structure for the Company's Executive Directors. The Committee evaluates the performance of the Company's executive directors and approves the annual compensation, including salary, bonus and non-equity incentive compensation for them based on initial recommendations from the Group CEO. Moreover, the Committee maintains regular contact with the leadership of the Company.
- To review and approve on an annual basis the corporate goals and objectives (KPI) with respect to compensation for the Group Chief Executive Officer. The Committee shall evaluate at least once a year the Group Chief Executive Officer's performance in light of these established goals and objectives and based upon these evaluations shall set the Group Chief Executive Officer's annual compensation, including salary, bonus and non-equity incentive compensation (if any).
- To review and approve on an annual basis the evaluation process and compensation structure for the senior executives. The Committee shall approve or may assign the Human Resources department to approve the annual compensation, including salary, bonus and equity and non-equity incentive compensation for senior executives.

- Base salaries for the Company's Group CEO and Executive Directors depend on the scope of their responsibilities, their capabilities, and the period over which they have performed those responsibilities.
- Annual bonuses for the year and the percent change from the prior year's bonus for senior executive officers are determined after an evaluation of the overall performance of the Company, the performance of the business or function that the officer leads and an assessment of each officer's performance against expectations, which were established at the beginning of the year. The bonuses also reflect (and are proportionate to) the annual financial results of the company.
- Other non-equity compensation is paid as per the HR manual of the Company which is reviewed from time to time.

Remuneration paid to the IVL Management team in 2015 was approx. Baht 98,766,615. The IVL management team comprises of the Group CEO, Executive Director, CEO of PET and Feedstock business, President of PTA business, President of EG/EO business, President of Polyester business, President of Wool business, the Head of Finance and Head of Accounting.

The remuneration of IVL Group CEO includes salary, bonus and perquisites in accordance with the Company's rules and regulations. The Board sets the long and short term KPI for the GCEO.

*No compensation was paid to Directors or Management in the form of shares.*

#### 11. Succession Planning

The NCCG Committee has put into place a Succession Plan for the Group CEO and Key Management team in consultation with the Board.

For all other employees the Global HR department works with line management to create succession plans. To ensure that the succession plans are effective, the Global HR implements employee development and training and also implements a fast track process for those it believes have high potential.



#### 12. Strategy Meeting

The Company holds one Board meeting every year to approve the Company's strategy and Annual Business Plan. This allows the senior management to interact with the Members of the Board for free and frank discussions on future direction of the Company. The Strategy meeting for 2015 was held on January 29, 2015.

#### 13. Professional Development of Directors

The Director who joined the Company during the year was given a Directors Orientation folder with complete information about the Company and its subsidiaries to assist him in getting well acquainted with the business, practices and procedures of the Company and his rights, duties and obligations as Director. In addition orientation meetings were arranged with the management team members.

Apart from the periodic informal meetings with the management teams, the Directors are invited to attend the various business meetings held during the year.

The Board encourages the Board members, Audit Committee members, management team members, Company Secretary and Internal Auditor to attend seminars, training and courses which would assist in further improving their contribution/performance in the Company. IVL encourages the members of the Board to undergo applicable training programs.

The details of all courses attended are in the Directors profiles.

***Our Company's policies, integrity, ethics and disclosures always seek to emulate the best practices in Corporate Governance.***

## PEOPLE

Being a global organization, our growth trajectory is contingent on people who thrive in a multicultural world both in the workplace and in the market. We ensure that a judicious mix of talent is infused in our workforce. Our employee base includes a broad range of functions and roles globally, from manufacturing and maintenance experts to new product designers and plant workers, from specialists in marketing, sales, logistics, customs, tax and trade, to finance and accounts, managers and many, many more.

### Our Approach

We believe that it is people who make all the difference. With "People First" as one of IVL's values, our global strategy for Human Resources (HR) is to help unleash this across every area of our business. The HR function along with the leadership team acts as a catalyst to ensure that the congruence of vision and values of IVL become the order of the day, resulting in accelerating operational and functional excellence.

This fosters an inclusive and collaborative environment where our employees are well poised to address change. Honing the ability of employees to ask the right questions, examining learning opportunities, and continually re-thinking the needs of the business are ever-present priorities that are supported by leaders who coach and inspire.

### Global Workforce Strength

Our global workforce strength can be attributed to an optimal mix of fresh and experienced talent with diverse educational, cultural and national backgrounds. The diversity broadens the talent pool and at the same time, enriches the global views, skills, knowledge, working styles and cultures.

**Key highlights of our global workforce in terms of numbers are as follows:**

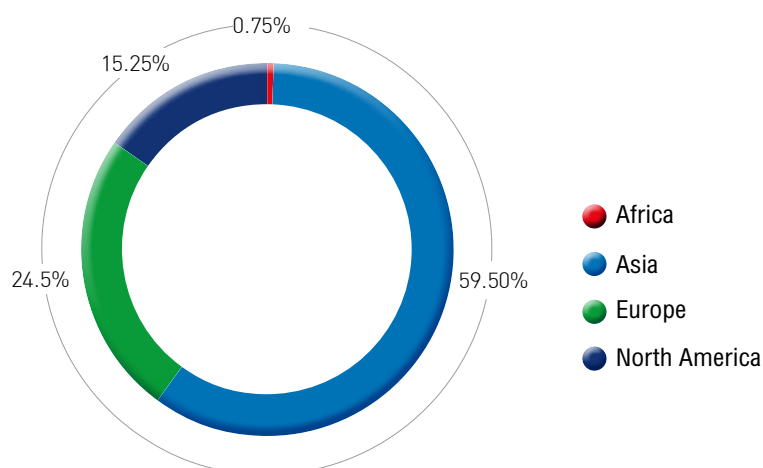
#### 1) Permanent employees

| Type of Business                 | As of December 31, 2015 |
|----------------------------------|-------------------------|
| Feedstock <sup>(1)</sup>         | 989                     |
| PET <sup>(2)</sup>               | 3309                    |
| Fiber                            | 7918                    |
| Wool                             | 485                     |
| Non-Operating Business           | 184                     |
| <b>Total Permanent Employees</b> | <b>12,885</b>           |

**Remarks:** (1) PTA Business and EG/EO Business;

(2) Includes workforce of packaging segment Geographical spread of these employees is in four continents.

#### 2) Geographical spread of these employees is in four continents.



## Acquiring, Managing and Developing Talent

In building our teams, we focus on the company's future business needs and how we can plan for growth. We hire multi-skilled people, both from within the industry and from other relevant sectors. In addition, partnerships with Industrial Training Institutes and Engineering and Management Institutes ensure a steady influx of high-quality people inducted to fuel our growth plans. In building our teams, we focus on the company's future business needs and how we can plan for growth. HR continues to undertake extensive outreach recruitment activities to identify more qualified and diverse candidates.

We concentrate on key areas that help to sustain our business performance. Our talent strategy focuses on critical assignment planning, manager accountability for coaching and mentoring, and team learning. We also plan to work on ensuring successful leadership transitions, develop the next generation of leaders and grow emerging and diverse talent.

### Training

Talent development is at the heart of building human capital in IVL. The company appreciates in value as employees develop their skills and organizational knowledge. We view training as a whole system and not a one-time event. This means that what happens before and after the actual training is just as important as the training itself. The focus is on following multi-pronged approach embracing the development from technical to behavioral, from organizational to individual level, on-the-job training to e-learning platform.

- a) Organizational level programs are related to CSR, Safety, Health and the Environment.



- b) Functional level programs are grouped in Technical and Functional programs.
- c) Individual level training requirements are addressed through the programs which were related to behavioral and managerial related training.

**Some of the global statistics of the training imparted in 2015 across all locations of IVL speaks about the intensity and the coverage of employees.**

| Focus Area       | Batch         | No. of Participants | Training Hours |
|------------------|---------------|---------------------|----------------|
| Behavior         | 903           | 2,916               | 82,219         |
| EHS <sup>1</sup> | 6,696         | 8,051               | 22,250         |
| Functional       | 20,531        | 23,374              | 247,603        |
| Managerial       | 1,188         | 2,651               | 40,404         |
| Quality System   | 1,884         | 3,373               | 50,630         |
| Technical        | 544           | 3,682               | 37,544         |
| <b>Total</b>     | <b>31,746</b> | <b>44,047</b>       | <b>480,651</b> |

Note: 1- Environment, Health and Safety including CSR training

### Role of Manager to Inspire Individuals and Teams

IVL's commitment to its workforce includes enabling managers and leaders to be levers for accelerating the company's growth. We invest in our leaders by providing learning and development opportunities that teach managers how to amplify their employees' talent, energy and capabilities. Being a "talent multiplier" is not about making people work harder, but about engaging them in a way that helps them produce better and more relevant work.

The senior management has four principles of manager excellence: lead, coach, drive and inspire. These principles define how we reach our individual and collective potential. Managers are role models who inspire their teams, live the passion for excellence and promote creative environments for best thinking and work.

IVL equips leaders to plan, land and grow individual talent, align strategy and manage team performance, celebrate and reward performance and drive excellence across the organization.



## Succession Planning

The planned talent reviews plays a key role in deepening the strength of our bench and help leaders make thoughtful choices about putting the right people to work in the right areas. In these reviews, leaders will be accountable for improving the performance, potential, diversity and continuity of their teams while ensuring the highest return on investments in our talent. This comprehensive career approach will strengthen our globally diverse talent with the critical experiences and leadership skills they need to achieve IVL's business objectives and realize their own potential.

## Rewards and Benefits

The compensation system is designed to take care of country specific requirements in terms of statutory benefits, business and individual. We have devised both business segment performance and individual performance linked incentive programs that link the performance to compensation at individual level. We measure our compensation packages against industry standards and seek to match or exceed them.

## Culture

At IVL, we want an open and creative culture that harnesses diversity and inclusion to inspire ideas and ignite innovation. All units are unique in terms of their culture. However, operation excellence and innovation have brought a signification shift in the culture of saving costs and development of new products.

There is an emphasis on expats to learn the local language to help them integrate with the local culture easily. Learning of local language by expats is given an additional incentive in terms of remuneration. We recognize there is no single approach nor is there a finish line to this type of work. There are many factors that need to be in play to create high-performing, diverse and inclusive teams. Team composition, manager excellence and team culture are all critical to success. While we take an innovative approach to this work, we balance it with the need to offer the fundamentals through education and awareness programs. These basic principles of diversity and inclusion not only make IVL a better company, but have the ability to contribute to making a better world. Gender diversity is also an important criterion and hence the ratio of female is about 26% in the workforce.

## Health and Safety

We promote and manage a healthy and safe working environment for employees. We offer everything from healthy-living pledges included in employee-benefit plans to risk-based safety assessments and tracking globally. We provide extensive safety training to employees based on the type of job they do and the level of risk associated with that job.

We track and assess recordable and lost-time incident rates against industry and benchmarked world-class averages. Measured facilities include high-risk facilities, consisting of distribution centers, in-house manufacturing and high employee population locations. We use internal and external audits to assess facility performance, on a one- to three-year cycle based on performance and risk profile – targeting high-hazard and large-population facilities. We audit for compliance with IVL's environmental, safety and health standards.

## Material Labor Disputes in Past 3 Years

Since the establishment, the Company never had any material labor dispute.





# SUSTAINABILITY, A GAME CHANGER

## 1. SUSTAINABILITY VISION AND COMMITMENTS

Indorama Ventures has set itself a very clear ambition “to be one of the most admired companies in the world”. To realize this vision, we believe sustainability is a core element of business driver. IVL takes a long-term perspective on the development of the business and acts with respect and responsibility towards all its stakeholders. We have integrated the principle of social responsibility and sustainability into the Company’s strategy and management systems to ensure the highest standards in all aspect of our business practices worldwide.

## 2. PRINCIPLES OF OUR SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Our social responsibility and sustainability begins with conducting our activity with excellence. We strive to be recognized by our stakeholders for upholding the highest standards of integrity in all of our actions.

Indorama Ventures adopt the following principle of conduct and integrate as a core component of our business activities around the world. We believe that these principles serve as the basis for us to fulfill our roles and responsibilities as a corporate citizen and are essence to be widely recognized benchmarks for trustworthy businesses. We must always strive to:

### 2.1 Comply with legal and regulatory requirements

We are committed to fully comply with applicable national and international legislation, regulations and regulatory obligations, with the adoption of voluntary commitments, rules and guidelines in the regions and countries where we operate.

## 2.2 Respect human rights

IVL is committed to fulfilling its responsibility on human rights in all of its companies and locations where we do business and throughout our supply chain. We fully support and adhere to the principles of the Universal Declaration of Human Rights and its two corresponding covenants, The International Covenant on Civil and Political Rights and The International Covenant on Economic, Social, and Cultural Rights across all of our businesses.

It is our responsibility to ensure the best possible respect of human rights in every context including labor practices, child labor, fair treatment, equality and non-discrimination, upon the terms set out in our Policy on Human Rights at [www.indoramaventures.com/corporategovernance](http://www.indoramaventures.com/corporategovernance).

## 2.3 Earn honesty and trust

Indorama Ventures considers fair and ethical business practices to be the foundation of social responsibility that we must fulfill. We strive to gain trust by treating others with integrity, transparency, respect and fairness. We are committed to conduct business in a manner that is free, fair, legal and in environment of mutual respect as set out in our code of conduct, Policy on the Treatment of Customers and Business Partners and Competitors Policy.

Our standards of business competition are following antitrust and competition laws in every country in which we operate. We act straightforwardly in all our business dealings and do not discriminate against any person.

We believe in the importance of respecting their privacy and confidentiality. Our policy on intellectual property applies to the Company's property as well as others. We make every effort not to infringe upon the intellectual property rights of all of those with whom we do business.

Intellectual property includes copyrights, patents, trademarks or trade secrets.

To support a climate of openness, honesty and trust, we have a Whistleblower Policy that specifies grievance procedures. This policy offers employees the opportunity to raise any concerns regarding unethical behavior or misconduct. Details of grievance procedure can be found on Whistleblower Policy on corporate website ([www.indoramaventures.com/corporategovernance](http://www.indoramaventures.com/corporategovernance)).

## 2.4 Maintain integrity

At Indorama Ventures, business integrity covers all of our interactions with individuals, both inside and outside the Company. We are committed to uphold the highest standards of integrity and conduct our business in an honest, fair and transparent manner as set out in our Code of Conduct at [www.indoramaventures.com/corporategovernance](http://www.indoramaventures.com/corporategovernance).

We do not tolerate, permit or engage in bribery and corruption of any kind in our business dealings anywhere in the world. We have developed an Anti-corruption Policy and deployed it across the Company, with systems and procedures in place for periodic training to ensure comprehension and implementation.

Details on our commitment to conduct business legally, ethically and with integrity can be found on our website at [www.indoramaventures.com/corporategovernance](http://www.indoramaventures.com/corporategovernance).

## 2.5 Promote fair employment and work practices

Indorama Ventures is committed to treating our people fairly and with respect. Our Human Resources Policy outlines our principle of fair employment and work practices which include:

- Non-discriminatory recruitment and selection practices to ensure equal employment opportunity
- Promote fair treatment and equality opportunity within the Company

working environment

- Facilitate equal access to training and development opportunities based on employee's strengths and needs to achieve their full potential
- Reward employees fairly based on their ability, performance, contribution and experience
- Promote and maintain health and safety working environment

The Human Resources Policy will be subject to review on a regular basis to keep it current with the requirement of business and changing dynamics in the job market. Details on Human Resources Policy can be found on our website ([www.indoramaventures.com/corporategovernance](http://www.indoramaventures.com/corporategovernance)).

## 2.6 Deliver best value to customers

We value the customer at every level of the Company and have made customer satisfaction one of our goals and that is reflected in our mission statement, whereby we focus our activities to achieve customer delight and loyalty for a long-lasting relationship.

We are committed to operating in a way which is fair, transparent, and non-discriminatory and delivers to the highest levels of professionalism and integrity. We seek to better understand our customers' unique requirements and their current business needs. We always deliver our products and services to fully meet our customers' expectations today and their long-term requirements. We want our customers to see IVL as their best business partner.

IVL respects individual rights of customers and committed to keeping individual customers information accurate, confidential, and not to disclose to a third party. We have developed a Policy on the Treatment of Customers to explain our practices for appropriate handling of customer information.

IVL value trustworthiness, honesty and open communications. We provide

accurate, sufficient and useful information to customers and keep our customers up-to-date with new developments. In any communication, we aim not to mislead customers by providing false or exaggerated information.

We are committed to developing and providing high quality and safe products. We continuously improve our processes and products and stay current with new regulation and industry best practices. Details about third-party certification and quality standards can be found on our website at [www.indoramaventures.com/businessoperations](http://www.indoramaventures.com/businessoperations).

## 2.7 Protect the environment

We give high priority to environment protection and aim to gear all our business activities toward protecting and conserving environment everywhere we conduct business. Our Environmental Policy outlines our responsibility and commitment in relation to manage and minimize the environmental impacts of our activities, operations and people.

We strive to continuously improve our environmental performance and conduct our worldwide operations in compliance with all relevant environmental laws and regulations. We implement environmental management standards based upon ISO 14001 and energy management standards based upon ISO 50001. The progress on environmental and energy management activities is monitored through the assessment of key performance indicators. Details of our environmental and energy management performance can be found in our Sustainability Report 2015, which can be found on our website at [www.indoramaventures.com/sustainability](http://www.indoramaventures.com/sustainability).

## 2.8 Contribute to local community

We are not only a business entity but also a member of the local communities in which we operate. Our social responsibility initiatives are focused on working with external environment where responsibility was built on social needs and grounded in a risk and reputation management. We aim to support local community initiatives, play active role in the development of the communities where we operate and create value for all our stakeholders.

# 3. FROM PRINCIPLES TO PRACTICES

## 3.1 Sustainability and Risk Management Governance

To ensure compliance with these principles and drive sustainable practices forward, we have reorganized a Sustainability and Risk Management governing structure to

be more effective in guiding and managing sustainability and corporate responsibility within the Company. This structure involved with multi-level, cross functional leadership committees at the board, executive leadership and management levels of the organization.

Driving sustainability into the Company operations starts from the top. The board has embedded environmental, social and governance matters into its risk management processes and set up the Sustainability and Risk Management Committee (SRMC) as the highest sustainability governance body. The SRMC is chaired by Mr. Alope Lohia, the Group CEO and Vice-Chairman of the Board. Other members of the Committee are Mr. Rathian Srimongkol, Independent Director, Vice-Chairman of the Board and Chairman of the Audit Committee, Mr. Maris Samaram, Independent Director and Member of the Audit Committee, Mr. Russell Leighton Kekuewa, Independent Director, Mr. Dilip Kumar Agarwal, CEO of PET and Feedstocks and Mr. Udey Paul Singh Gill, President of the Polyester Business. The objective of the SRMC is to provide oversight and assist the Board in fulfilling its responsibilities in respect of the Company's Risk Management and sustainable development to ensure its effectiveness. Details on Sustainability and Risk Management Committee Charter can be found on the website at [www.indoramaventures.com/corporategovernance](http://www.indoramaventures.com/corporategovernance).

The Sustainability Steering Committee (SSC) is a sub-committee of the SRMC with specific executive responsibility to oversee and guide along with the senior leadership from three main business segments for implementing sustainability strategy at site level. Specific responsibilities are delegated to senior leaders to continuously improve all aspects of economic, environmental and social at all our operations around the world.



## Sustainability and Risk Management Governing Structure

This clear framework and structure for the governance of sustainability allow us to effectively manage sustainability and ensure accountability runs right to the top and reach across core functions of the Company.

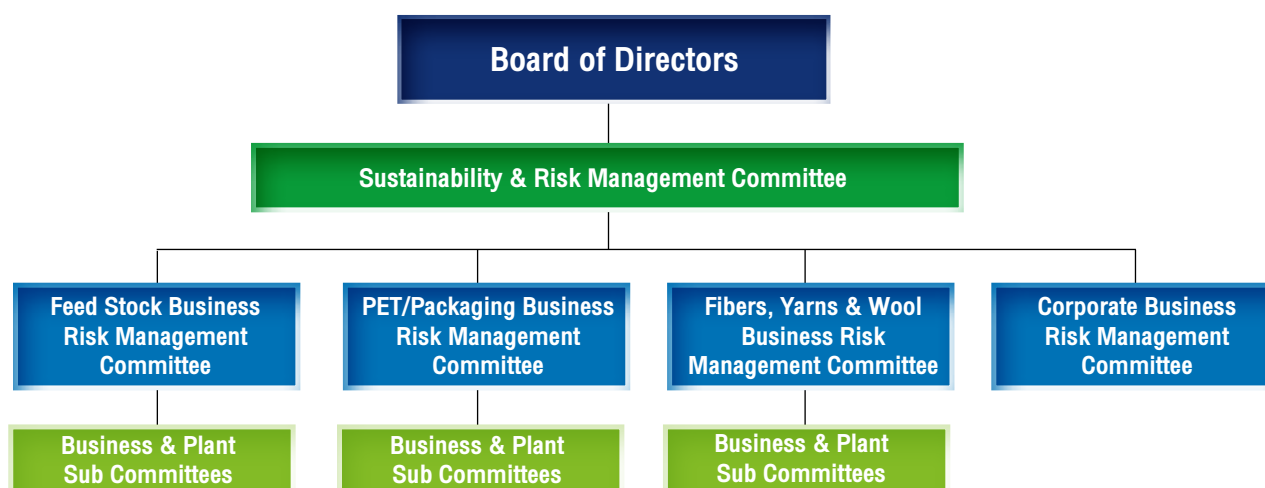
The structure demonstrates the hierarchy of bodies responsible for sustainability and risk management, which can be found on our website at [www.indoramaventures.com/sustainability](http://www.indoramaventures.com/sustainability).

### Risk Management

IVL has an effective Enterprise Risk Management framework with top-down and bottom-up approach of risk management which enables effective system and process to identify and manage business risks at all levels. The Board of Directors of the Company has been embedding risk management into overall long term business strategy, corporate culture and day

to day operations through SRMC and other committees at the respective business segments and plants. The Sustainability and Risk Management Charter emphasizes developing awareness of risk and embedding a prudent 'Risk Culture' throughout the organisation. The Board has assigned SRMC the responsibility of reviewing Company's overall risk exposure and apprise the Board of risks with potentially significant impact and also to ensure robust processes, procedures and policies are in place.

There is no business without any risk, doing business inherently involves taking risks. However, at IVL with competent members in various risk management committees and effective risk management structure throughout the organisation strives to mitigate every risk after systematic evaluation and assessment based on the probability, severity and impact to the organisation. Risk management is a core essential element of our corporate governance and strategy development. The following is the Risk Management Structure of the Company.



## 3.2 Our Approach to Sustainability Reporting

As part of our commitment to transparency and strengthening our engagement with stakeholders regarding our sustainability efforts, we publish our sustainability report annually. This report provides insight into our approach to sustainability, objectives, strategy and performance.

In our sustainability reporting system, we aim to cover all factories with IVL's operational control including wholly-owned subsidiaries and majority-owned joint ventures worldwide.

Data in the Sustainability Report covers performance during the 12 month-period of 2015 calendar year. The report is prepared in accordance to Sustainability Reporting Guidelines of Global Reporting Initiatives Generation 4 [GRI G4]. We issue our Sustainability Report on an annual basis. It is available on our website ([www.indoramaventures.com/sustainability](http://www.indoramaventures.com/sustainability)).

We believe in accurate and transparent reporting, content and data disclosed in our sustainability report is independently verified by external assurance. Indicators were selected for assurance based on the issues and indicators that are most significant to the sustainability performance of the business, as well as the key risks identified by the whole group.

### Materiality Assessment

We value the opinions of our stakeholders and take into account both internal and external stakeholder views. By understanding their expectations on what matter most, we can work together to create shared value. This is why we carry out annual materiality assessment to reassess the sustainability related issues and identify the activities that add most value for us and society.

In 2015, we expanded our assessment of material issues by incorporating external stakeholders for the first time and included more participation from senior executives' level in the process. Our 2015 sustainability materiality assessment includes feedback from internal and external stakeholders.

Followed our materiality assessment process in 2014, we began engagement process with representative members of each stakeholder group to identify and prioritize the most significant sustainability topics. The process consists of:

#### (1) Internal Discussion

The Sustainability Steering Committee undertook internal discussion to revise the list of sustainability-related issues we should bring to internal and external stakeholders in order to conduct a materiality assessment based on potential impact to IVL, global trends, legal and regulatory issues and industry-wide benchmarks. 26 sustainability-related issues were shortlisted.

#### (2) Executive Engagement

A set of sustainability issues was presented to the Sustainability and Risk Management Committee (SRMC) and representatives from the Board of Director for approval. Input from this executive engagement was integrated into the final list of sustainability issues.

#### (3) Webinar

Prior to the distribution of the survey, webinars were conducted to engage all relevant internal stakeholders and ensure consistent understanding across all IVL companies regarding the rating of material issues.

#### (4) Materiality Survey

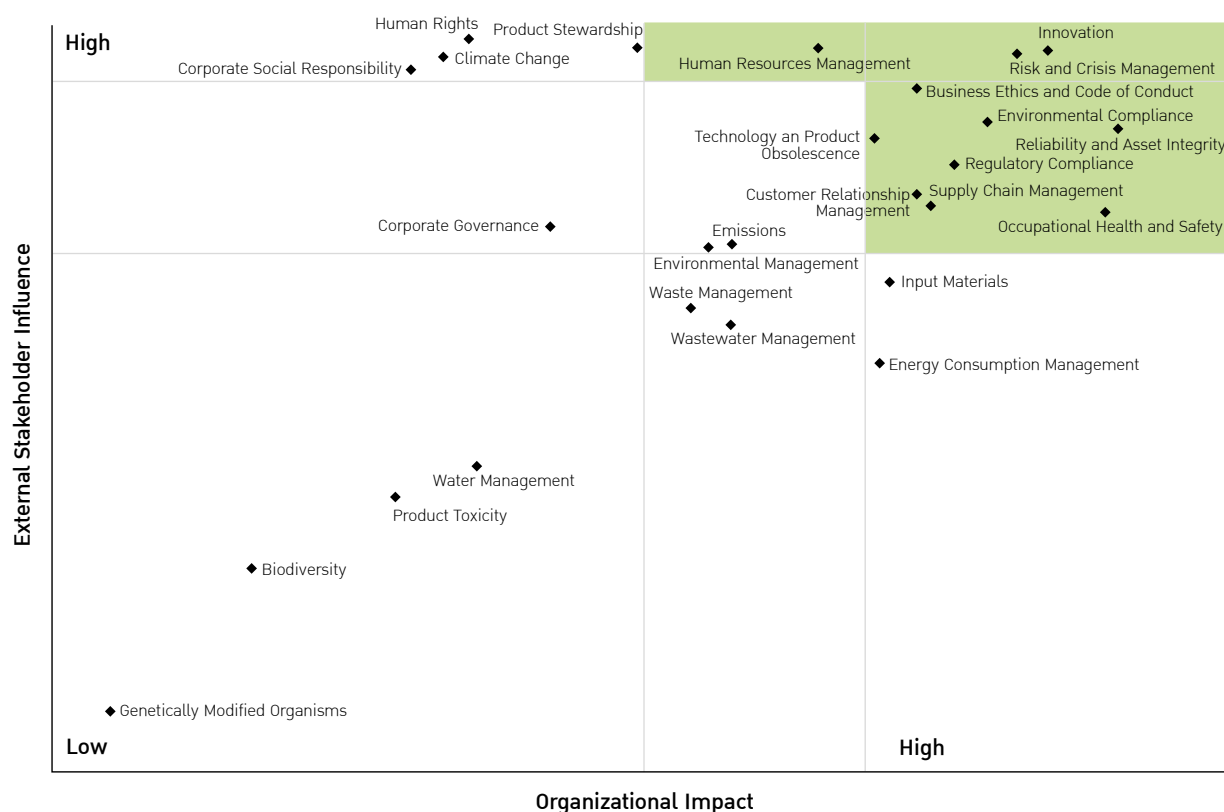
##### *Internal Stakeholders*

We have adjusted a standard questionnaire template to be more concise and distributed to global internal stakeholders ranging from site heads, business heads to corporate level heads. In total, data was collected from all sites, representing all businesses. A total of 19 countries were represented in the questionnaire response.

##### *External Stakeholders*

External stakeholders were surveyed using telephone discussion conducted by third party. These interviews covered key external stakeholders.

Inputs were combined and the results were discussed and confirmed internally by the Sustainability Steering Committee. Our material issues were mapped with regard to the degree of stakeholder importance and the impact on IVL, in accordance with GRI G4 requirements, as below;



## Our priority areas and performance

As a result of the assessment, the top 8 economic, environmental and social issues that our stakeholders and Indorama Ventures consider to be most material to our company are:

1. Governance and Compliance
2. Customer Relationship Management
3. Innovation Management
4. Operational Efficiency
5. Environmental Compliance
6. Health and Safety
7. Human Resources
8. Supply Chain Management



Our approach and performance on all material issues identified are reported in our Sustainability Report 2015 and published on IVL website at [www.indoramaventures.com/sustainability](http://www.indoramaventures.com/sustainability).

We have also covered the rest of the relevant issues in the different section of our 2015 Sustainability Report.

## 3.3 Stakeholder Identification and Analysis

Engagement is about bringing the voices of stakeholders into decisions that affect or interest them. Our engagement programs help us to understand and respond to their concerns and expectations.

Responsibility for stakeholder engagement and management is decentralized. Individual business units or functions are responsible for identifying and evaluating stakeholder concerns in their particular areas. At group level, the SSC oversees all engagement and bringing potential gaps that may exist to the SRMC's attention.

Stakeholder identification has been done through a brainstorming process to collect a list of people who stand to gain or lose economically, socially and environmentally through the actions of the Company. To develop a good understanding of our stakeholders, we draw out stakeholders' expectations, interests, benefits and their concerns. Then, we prioritized and determined how to engage the different stakeholders.



*Mrs. Suchitra Lohia, Director and Chairperson of the Corporate Social Responsibility Committee, representative of Indorama Ventures (far right) at an MOU signing ceremony between the company and Operation Smile Thailand*



*Mr. Jim Yarbrough Vice-Chairman of the Operation Smile Foundation visited Mrs. Suchitra Lohia to thank the company for sponsoring the Bright Smiles & Happy Hearts Campaign.*

Communicating with and listening to our stakeholders enable us to prioritize issues effectively and contribute to our overall sustainability strategy. We also see stakeholder engagement as a way to drive innovation, mitigate risks and build trusting relationships.

We have tailored our engagement processes using different communications methods to suit each different stakeholder group. To help us deliver our commitment, we intend to improve our stakeholder engagement process continuously.

## 3.4 Stakeholder Engagement

We identified stakeholders as those individuals, groups of individuals or organizations who affect and/or could be affected by the Company's activities, products, services and performance of the Company.

Our stakeholder engagement programs help us to understand and respond to the concerns and expectations of our stakeholders. IVL's stakeholders include investors, shareholders, customers, suppliers and business partners, local authorities, employees, media and local communities where we operate. We listen and respond to these groups in various forms. Each stakeholders group has a function owner who primarily accountable for managing the relationship with the particular stakeholder group. Sales and marketing, investor relations, purchasing, human resources, corporate affairs are some functions that engage stakeholders on a regular basis to understand and address concerns.

The table below provides a summary of IVL's stakeholder group, primary engagement methods, key stakeholders interests, how we address the issue and a sample of metrics we use in each response.

## Stakeholder Engagement

| Stakeholders                            | How we engage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Key stakeholders interests                                                                          | How we responding/ addressing the issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shareholders/<br>Investors/<br>Analysts | <ul style="list-style-type: none"> <li>• Meetings and roadshows</li> <li>• Surveys and questionnaires</li> <li>• Annual General Meeting</li> <li>• Opportunity Day</li> <li>• Strategy briefings and other market updates</li> <li>• Reports and publications</li> <li>• Press releases including SET announcements</li> <li>• Seminars and conferences</li> <li>• Online and social media platforms</li> <li>• Company and factory visits</li> <li>• Addressing regular enquiries</li> </ul> | <ul style="list-style-type: none"> <li>• Company performance and share price performance</li> </ul> | <b>Financial Report and Publication</b><br><br>Quarterly disclosure of information about earnings results and financial statements.<br><br>Calendar for earnings releases is provided on the corporate website. Past quarterly results are also available in PDF format. To ensure the information is received timely, we also send automatically email notification to those who subscribe to our email alerts.                                                                                                                                                                                                      |
|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                     | <b>Opportunity Day</b><br><br>Quarterly update meeting to inform investors about business performance and give them the opportunity to meet the management.<br><br>All presentations are available for download and have been webcasted live on the internet.                                                                                                                                                                                                                                                                                                                                                         |
|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                     | <b>Conference calls, telephone enquiries, meetings and roadshows</b><br><br>Regular investor and analyst calls and direct engagement through face-to-face meetings and ongoing dialogue to effectively communicate with shareholders and investors and address their concerns including providing them strategy briefings and other market updates<br><br>Shareholders are able to raise queries directly through a dedicated phone number, via email (ir@indorama.net) or by writing to the Company. Queries will be escalated to Investor Relations, Company Secretary, or other senior management, as appropriate. |
|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                     | <b>Online and Social Media Platforms</b><br><br>Online and social media are part of our information dissemination process. We give equal opportunities to investors by giving important information and quick access to archives of presentations, annual reports, financial information and webcasts on corporate website. Investors and shareholders are allowed to request company information through our contact forms on the website.<br><br>We also offer social media channels, such as Twitter and Facebook, to quickly communicate latest releases, news, upcoming events and other information.            |

| Stakeholders | How we engage | Key stakeholders interests                                             | How we responding/ addressing the issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------|---------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |               |                                                                        | <p><b>Email Notifications</b></p> <p>Email alerts are also available to keep investors informed about financial information, upcoming conference calls and other events as well as notify when new information is available on IVL website.</p> <p>Persons who subscribe to our email alert will not have their email address or other personal information passed on to any third party outside the Company.</p>                                                                                                                                                                   |
|              |               | <ul style="list-style-type: none"> <li>• Long-term strategy</li> </ul> | <p><b>Capital Markets Day and Mid-Year Conference</b></p> <p>Annually events tailored for analysts and investors to give insight on the Company's strategy and developments in strategically important markets and business areas.</p> <p>In 2015, we held a mid-year conference for the first time to provide analysts and investors updated information on performance and forecasts.</p> <p>To ensure fair disclosure of information, we make information generally available on the corporate website including the management presentations via webcasts from such events.</p> |
|              |               |                                                                        | <p><b>Annual General Meeting (AGM)</b></p> <p>Annually event where the Company's present financial data, current operations and long-term objectives (strategic objectives).</p> <p>This meeting allows shareholders to meet the board and senior management team to exchange information.</p> <p>Information regarding General Meetings is provided to all shareholders 21 days (but not less than 7 days) in advance allow sufficient time for shareholders to understand information prior to the meeting.</p>                                                                   |
|              |               |                                                                        | <p><b>Investor Conferences and Forums</b></p> <p>Our IR team also participates in various in major investor conferences and events worldwide. These events presented great opportunities for the Company's management to maintain direct dialogue with investors and communicate our latest developments and long-term strategy.</p> <p>In 2015, we participated four major investor conferences</p>                                                                                                                                                                                |

| Stakeholders | How we engage                                                                                                                                                                                              | Key stakeholders interests                                                                   | How we responding/ addressing the issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>Financial returns</li> </ul>                          | <b>Company and Factory Visits</b><br>We hold a factory visit twice a year for shareholders in order to given them a better understanding of our business and build shareholders' confidence and trust in the Company and management. Other Company visits were arranged from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|              |                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>Governance and transparency</li> </ul>                | <b>IR Website</b><br>IR website is a key tool for communicating our company's story and increasing transparency. Investors can access all content including financial reports, events calendar, press releases, presentations, stock prices, videos and webcasts, etc.<br><br><b>Investor Relations Policy</b><br>We have an Investor Relations Policy which describe the principles and practices that we applies in order to act with integrity and transparency towards our shareholders and investors.                                                                                                                                                                                                                              |
|              |                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>Sustainability performance</li> </ul>                 | <b>Sustainability Reporting</b><br>Report on sustainability using the GRI G4 guidelines<br>We continue to disclose ESG and sustainability performance metrics and initiatives that clearly link to financial value and risks and opportunities which are materials to the Company as part of investment decision-making processes.                                                                                                                                                                                                                                                                                                                                                                                                      |
| Customers    | <ul style="list-style-type: none"> <li>Ongoing customer relationships</li> <li>Company and factory visits</li> <li>Meetings, workshops and special events</li> <li>Customer Satisfaction Survey</li> </ul> | <ul style="list-style-type: none"> <li>Accessibility of our products and services</li> </ul> | <b>Geographical Expansions</b><br>We continue to increase our global footprint and scale of production to meet the needs of our customers and enhance leadership position in key markets.<br><br>We focus on expansion into all economic regions where our customers are present including growth into emerging markets where we see urbanization leading to double digit growth. Our strategy of backward integration into our key feedstocks and diversification of our portfolio into value-added products has been executed to capture long-term growth, sustain profitability and draw our relationships with customers closer.<br><br>In 2015, we expanded to numerous geographical markets include Nigeria, Myanmar, India, etc. |

| Stakeholders | How we engage | Key stakeholders interests                                                                 | How we responding/ addressing the issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------|---------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |               | <ul style="list-style-type: none"> <li>Impacts of our business and the industry</li> </ul> | <p><b>Collaborate with customers on sustainability and social responsibility initiatives</b></p> <p>We collaborate with our customers on sustainability and social responsibility initiatives, for example, PET waste separation and recycling efforts with Nestle, as well as the development of innovation products with Ionika.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|              |               |                                                                                            | <p><b>Product Life Cycle Assessment (LCA)</b></p> <p>In 2015, IVL PET business applied Product Life Cycle Assessment (LCA) to its production. The company has completed an LCA in Virgin PET and rPET products.</p> <p>All businesses will have ongoing LCA projects and planning across all product categories in the future.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|              |               |                                                                                            | <p><b>Participate in key industry groups, forums and events</b></p> <p>Indorama Ventures is a member of key industry and business organizations, both national and international, that deal specifically with issues of mutual concern or interest with the chemicals, plastics and fibers industry.</p> <p>These partnerships offer an efficient and effective forum to share experiences, best practices and standards and improve the performance of the industry as a whole.</p>                                                                                                                                                                                                                                                                                                                                               |
|              |               | <ul style="list-style-type: none"> <li>Long-term relationships</li> </ul>                  | <p><b>Strengthen our product portfolio and advancing towards High Value-Added Segment</b></p> <p>As a leading polyester value chain player, we need to work alongside our customers to provide them with innovative ideas, expertise and support solutions for their specific requirement. Through this differentiation goal, we have significantly expanded our non-commodity or high value-added (HVA) portfolio.</p> <p>We have expanded from being a pure commodity company to having a substantial High Value-added (HVA) differentiated business including recycling products, which accounts for 33% of revenues and 45% of EBITDA.</p> <p>We have acquired companies that add high value-added (HVA) PET and other fiber products to our portfolio including Polyester, Nylon 6.6 and Polypropylene-based (PP) fibers.</p> |

| Stakeholders | How we engage | Key stakeholders interests                                                                           | How we responding/ addressing the issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------|---------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |               |                                                                                                      | <p><b>Customer Collaborations</b></p> <p>We have worked in collaboration with our customers to improve product performance. Some of our successful products coming from partnerships with our global customers, for example, lightweight containers, extrusion blow-molded containers, special colour packagings and extrusion-blow-molded (EBM) containers with handles.</p> <p>These customer collaborations allow us to improve a level of customer service and deliver more sustainable products to customers and consumers.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|              |               | <ul style="list-style-type: none"> <li>• Product innovations</li> </ul>                              | <p><b>On-going new product development to serve customers' needs</b></p> <p>We intend to continue bringing value beyond quality and price by responding to customers' needs and contributing to their sustainability goals, for example, Polyclear® Preserve PET 2201 resin was used to produce milk bottles in order to lengthen shelf-life of pasteurized milk to four months.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|              |               | <ul style="list-style-type: none"> <li>• Responsible sourcing and supply chain management</li> </ul> | <p><b>Sustainable Procurement</b></p> <p>We issued a Supplier Code of Conduct which addresses various social and environmental aspects and requires key suppliers to commit to it.</p> <p>In 2015, IVL conducted several activities to improve activities to improve our procurement proces. We standardized supplier selections by reevaluating all suppliers and potential suppliers. Besides the feedstock business, the Supplier Code of Conduct, spend Analysis and ESG Risk Assessment were also broadly applied to other businesses for better controls, risk forecasts and prudent planning for the Company's future direction.</p> <p>We also continue our participation on voluntary Corporate Social Responsibility Assessments requested by our customers through agencies such as EcoVadis and Sedex.</p> <p><b>Supplier Auditing/ Supplier Monitoring</b></p> <p>We primarily focused on monitoring tier one suppliers last year. A supplier's self-assessment program was implemented into our process in every business. Supplier audits will be conducted as a part of this program in the future in order to complete our supplier assessment program.</p> |

| Stakeholders                    | How we engage                                                                                                                                                                                                                                              | Key stakeholders interests                                                | How we responding/ addressing the issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 |                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>Customer Communications</li> </ul> | <p><b>Customer Satisfaction Survey</b></p> <p>We use customer satisfaction surveys as one of a tools to drive customer communications. While all business segments had conducted customer surveys before, in 2015 we introduced a formalized customer satisfaction survey program to build customer loyalty and satisfaction, and improve awareness of our customers' needs.</p> <p>We have three surveys which were tailored for each of our businesses: PET, Fibers and Yarns and Feedstock. The survey covered our customers globally in 2015.</p>                                                                                                                                                                                                                                                     |
| Suppliers and business partners | <ul style="list-style-type: none"> <li>Procurement Management</li> <li>Ethical supplier management</li> <li>Conferences, trade fairs and industry events</li> <li>Member of local business community</li> <li>Website</li> <li>Regular dialogue</li> </ul> | <ul style="list-style-type: none"> <li>Long-term relationships</li> </ul> | <p><b>Strengthening partnership with suppliers</b></p> <p>We collaborated with our suppliers in saving cost and energy from transportation. Goods are always forwarded to the Company at the maximum capacity at the time of delivery as agreed with both parties.</p> <p>Complying with the ESG criteria also helps the Company to be a transparent organization. Our suppliers can be assured that IVL is a responsible customer in their value chain.</p> <p>We make sure that our suppliers are treated fairly. Only their qualifications and performance are important. We evaluated them by using our Vendor Evaluation Form.</p>                                                                                                                                                                   |
|                                 |                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>Ethics and Compliances</li> </ul>  | <p><b>Policy and Guidelines</b></p> <p>We support and respect human rights, consistent with the United Nations Universal Declaration of Human Rights.</p> <p>We have been a signatory of Collective Action Coalition Against Corruption (CAC) since 2013. With our efforts and outstanding commitment to anti-corruption practices, we received CAC Certification in 2014. This achievement demonstrates our commitment to fight against corruption through the implementation of policies and effective mechanisms</p> <p>In 2015, IVL communicated with all subsidiaries about the relevance of the ESG criteria and its policy. We will continue to maintain and develop our proactive standards to ensure that our commitment and practices are implemented in the spirit that they were created.</p> |

| Stakeholders | How we engage                                                                                                                                                                                                                                                                               | Key stakeholders interests                                                       | How we responding/ addressing the issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |                                                                                                                                                                                                                                                                                             |                                                                                  | <p><b>Supplier Code of Conduct and Compliance Program</b></p> <p>IVL developed and introduced our first Supplier Code of Conduct to ensure that our suppliers operate in accordance with standards on human rights, health and safety, environment and business ethics in 2014.</p> <p>In 2015, we expanded the coverage of our Supplier Code of Conduct and Compliance program to all suppliers globally.</p> <p>We asked all our first tier suppliers to sign our Supplier Code of Conduct. All new suppliers will be required to sign to the Code as part of any new contract.</p>                                                         |
|              |                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Research and Innovation</li> </ul>        | <p><b>Strengthen and build innovation capability</b></p> <p>We use M&amp;A as part of an innovation and capability building strategy. Through strategic assets, we acquire R&amp;D capability, brand name, knowledge and proprietary technologies and bring synergies across the value chain, for example, the acquisition of Performance Fibers, the premier producer of tire fabric.</p>                                                                                                                                                                                                                                                    |
|              |                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Sustainability</li> </ul>                 | <p><b>Participate in global and industry conferences and events</b></p> <p>We are involved in key global and industry conferences and events, such as the World Economic Forum in Davos, and the Petcore Europe Conference to address broader global and sustainability issues.</p> <p><b>Improve sustainability across the supply chain</b></p> <p>Our ESG tools were developed and implemented with our suppliers and customers. The tools are: a vendor evaluation form, supplier code of conduct, spend analysis, supplier self-assessment and supplier risk assessment, customer satisfaction survey and customer feedback practice.</p> |
| Employees    | <ul style="list-style-type: none"> <li>Corporate magazine</li> <li>Engagement surveys</li> <li>Town hall meetings</li> <li>Policies and code of conduct</li> <li>Performance Management</li> <li>Grievance process</li> <li>Intranet and website</li> <li>Social media platforms</li> </ul> | <ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul> | <p><b>OHSAS 18001 Certification</b></p> <p>We deploy a range of techniques, tools and training designed to empower our employees to work safely including implement OHSAS 18001 certification.</p> <p>In 2015, 13 companies were certified and we will continue to promote improvement in occupational health and safety across the Company.</p>                                                                                                                                                                                                                                                                                              |

| Stakeholders | How we engage | Key stakeholders interests                                                              | How we responding/ addressing the issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------|---------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |               | <ul style="list-style-type: none"> <li>Business conduct and ethics</li> </ul>           | <p><b>Corporate Governance Policy Awareness Campaign (CGPAC)</b></p> <p>The Company conducted CGPAC in 2014 for the first time. 16 related policies were deployed and the same were informed to all the employees through the HR functions of the respective units. These policies are available in 12 languages and are all available on the corporate website. In 2015, total 5,745 employees were trained on Code of Conduct, Whistle Blower, Human Rights, Anti-corruption and Intellectual Property.</p>                                                                                                                                                                                                                   |
|              |               |                                                                                         | <p>IVL expanded training sessions on Corporate Governance to all subsidiaries in Indonesia. All employees at head office received important information about Corporate Governance at their orientation sessions.</p> <p>To ensure all subsidiaries can run their training sessions on Corporate Governance, we distributed a guideline and a presentation to facilitate the training.</p>                                                                                                                                                                                                                                                                                                                                      |
|              |               | <ul style="list-style-type: none"> <li>Professional development and training</li> </ul> | <p><b>Training and Development</b></p> <p>We provide education, training and coaching as appropriate, and offer professional development opportunities within the Group to develop employees' skills and competencies.</p> <p>In 2015, we had 44,047 employees trained globally. They received 480,651 hours of training.</p>                                                                                                                                                                                                                                                                                                                                                                                                   |
|              |               | <ul style="list-style-type: none"> <li>Open communications</li> </ul>                   | <p><b>Employee Engagement Survey</b></p> <p>In 2015, the employee engagement survey was conducted by Boston Consulting Group (BCG). Total response rate in 2015 is above 90% which is a record for any of the previous survey done by BCG. Nearly 12,000 employees completed the survey.</p> <p>The results are further analyzed to show employees' views and opinion as well as identify our strength and opportunities for improvement. Our survey covers various topics, including, leadership, diversity and inclusion and more.</p> <p>Each subsidiary created an action plan and conducted quarterly reviews in accordance with the survey results. IVL Global HR is responsible for monitoring their implementation.</p> |

| Stakeholders                                        | How we engage                                                                                                                                                                                                                                                                                                  | Key stakeholders interests                                                                       | How we responding/ addressing the issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                     |                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Rewards and recognition</li> </ul>                        | <b>Employee Performance Evaluation</b><br><br>We use regular performance reviews, recognizing our employees' potential.<br><br>At factories, punctuality and long-service are also taken into consideration when making awards.                                                                                                                                                                                                                                                                                                                                                                               |
|                                                     |                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Sustainability and social responsibility focus</li> </ul> | <b>Sustainability Communications</b><br><br>We continue to raise awareness of sustainability and social responsibility focus and achieve in communicating sustainability to all subsidiaries in 20 countries in 2015. All chiefs and the working teams were invited to join webinars.                                                                                                                                                                                                                                                                                                                         |
|                                                     |                                                                                                                                                                                                                                                                                                                |                                                                                                  | <b>Internal Sustainability and Corporate Governance Workshop</b><br><br>We conducted internal workshop for IVL's senior executives who are involved in sustainability initiatives to raise awareness of sustainability internally and provide on-going coaching and consultation on sustainability implementation projects and processes. In 2016, we have a plan to expand our communication session on Corporate Governance to more operating sites in foreign countries. Online training and video training will be implemented also in order to facilitate learning sessions to employees as individuals. |
| Local Government, Authorities, NGO and Associations | <ul style="list-style-type: none"> <li>Compliance to Government legislative framework</li> <li>Reports and publications</li> <li>Website</li> <li>Public disclosures</li> <li>Participate in government and industry working group</li> <li>Conferences, industry forums and speaking opportunities</li> </ul> | <ul style="list-style-type: none"> <li>Governance and Transparency</li> </ul>                    | <b>Corporate Governance Scorecard</b><br><br>We followed the Thai Institute of Directors' request for applying the scorecard system to the Company as we see that this will be beneficial in improving transparency, improving the board of directors' performance as well as the performance of the Company in the long-term. In 2015, we scored 98 out of 100 on the Thai Institute of Directors Corporate Governance Report.                                                                                                                                                                               |
|                                                     |                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Accountability</li> </ul>                                 | <b>Public policy discussions</b><br><br>In many countries, we participate in public policy dialogue on key issues that affect our businesses and community interests. We invited local government officials to visit our plants to better understand our businesses.<br><br>We are involved in a range of trade and business associations including local chamber of commerce to promote a healthy business climate.                                                                                                                                                                                          |

| Stakeholders      | How we engage                                                                                                                                                                                                                                                                                        | Key stakeholders interests         | How we responding/ addressing the issue                                                                                                                                                                                                                                                                                                                             |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Media             | <ul style="list-style-type: none"> <li>• Reports and publications</li> <li>• Website and social media</li> <li>• Press releases</li> <li>• Press Conferences</li> <li>• Factory and Company visits</li> <li>• Regular dialogue</li> <li>• Addressing press enquiries</li> <li>• Interview</li> </ul> | • Financial performance            | <b>Media Factsheet</b><br><br>In 2015, we develop a media factsheet to provide a snapshot of the Company's financial information with the latest quarterly updates in English and Thai. These factsheets can also be found on the IVL website.                                                                                                                      |
|                   |                                                                                                                                                                                                                                                                                                      | • Environmental impacts            | <b>Sustainability Report</b><br><br>We use sustainability report as one tool to communicate our sustainability commitments, initiatives, performances and get sustainability messages across.                                                                                                                                                                       |
|                   |                                                                                                                                                                                                                                                                                                      | • Transparency                     | <b>Media Section on the Website</b><br><br>To enhance transparency and access to information, we have a dedicated section on IVL website for media.<br><br>This section contains essential resources and information for media, such as company background, photos, archive press releases and contact information.                                                 |
| Local communities | <ul style="list-style-type: none"> <li>• Factory visits</li> <li>• Community advisory panels</li> <li>• Open houses</li> <li>• Community organization memberships</li> <li>• Sponsorship and employee volunteering</li> <li>• Reports and publications</li> <li>• Website</li> </ul>                 | • Community supports and charities | <b>Community Engagement through Social Activities</b><br><br>We carry out and participate in various social contribution activities in each country where we conduct business. Our social contribution activities are mainly in the areas of education and literacy, health initiatives, economic development, environmental, art and cultures and disaster relief. |
|                   |                                                                                                                                                                                                                                                                                                      | • Environmental Management         | <b>Site Visits/ Open House</b><br><br>Site visits were carried out to ensure local communities could observe the site and environmental practices.                                                                                                                                                                                                                  |
|                   |                                                                                                                                                                                                                                                                                                      | • Jobs in community                | <b>Participation in job fairs</b><br><br>We participate in various job fairs to introduce students to the Company; types of work performed at the Company and give students opportunities to find possible areas of interest.                                                                                                                                       |
|                   |                                                                                                                                                                                                                                                                                                      | • Community relations              | <b>Site Visits</b><br><br>We regularly invite community leaders and industry associations to visit our factory to build better relations with local communities.                                                                                                                                                                                                    |
|                   |                                                                                                                                                                                                                                                                                                      | • Voluntary support by employees   | <b>Employee Volunteer</b><br><br>All employees are encouraged to voluntarily participate in CSR activities either by contributing time or expertise.                                                                                                                                                                                                                |



# REPORT of Sub-committees



# REPORT OF THE AUDIT COMMITTEE FOR THE YEAR 2015

The Audit Committee of Indorama Ventures Public Company Limited consists of three independent directors of the Company, who possess appropriate qualifications to serve on the Audit Committee, namely;

|                        |          |
|------------------------|----------|
| Mr. Rathian Srimongkol | Chairman |
| Mr. Maris Samaram      | Member   |
| Dr. Siri Ganjarerndee  | Member   |

During the year 2015, the Committee held 6 meetings, with the attendance of the Audit Committee Members as under:

| Name of Audit Committee Member | Meetings Attendance |
|--------------------------------|---------------------|
| 1. Mr. Rathian Srimongkol      | 6 / 6               |
| 2. Mr. Maris Samaram           | 6 / 6               |
| 3. Dr. Siri Ganjarerndee       | 6 / 6               |

The Audit Committee performed the tasks in accordance with the scope of its responsibilities as assigned by the Board of Directors, as per the Audit Committee Charter and those required by applicable regulations. Significant activities of the Audit Committee during the year are summarised here under:

1) The Committee approved the quarterly financial statements and reviewed the annual financial statements of the Company standalone and consolidated with its subsidiaries, discussed the significant accounting policies, internal controls etc. with the management and external auditors of the Company.

Based on the review and discussions with the external auditors of the Company, the Committee believes that the company's financial statements are accurate, complete, presented fairly with adequate information in compliance with generally accepted accounting standards and relevant regulations;

2) Each quarter of the year, the Committee deliberated the Management Discussion and Analysis (MD&A) in consultation with the Management. The Committee approved the quarterly MD&A reports and reviewed the annual MD&A reports before recommending the same to the Board of Directors.

The Committee believes that the Management Discussion and Analysis (MD&A) is presented fairly with adequate information;

3) The Committee reviewed and approved the Annual Internal Audit Plan for the year 2015, reviewed the Internal Audit Department's independence and headcount. The Committee reviewed half yearly presentations of Internal Audit covering progress of IA coverage according to the plan, significant findings and recommendations and follow up status of audit recommendations of covering IVL and its subsidiaries across all geographic locations.

Based on its review, the Committee is of the opinion that the Company's internal audit function including their independence and team size is adequate and effective.

4) The Committee assessed the adequacy of internal control systems with the Company's external and internal auditors and management, reviewed their significant findings on internal controls of all the major subsidiaries of the Company, recommended corrective actions as required and to implement appropriate systems in place. The Committee continues to work together with the Internal Auditor and Management to further streamline the internal control systems and procedures.

5) The Audit Committee Reviewed the Evaluation Form of Sufficiency of Internal Controls Systems for the year 2015 and based on its review, the Committee believes that the company's internal control systems are adequate, suitable and adaptable to evolving circumstances to suit the company's businesses, present and future, while complying with related laws and regulations;

6) The Committee reviewed, on quarterly basis, the status of the company's compliance with the laws and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant laws pertaining to the Company's business and noted no significant non-compliances.

The Committee further reviewed the status of compliance with the local and all applicable laws and regulations of respective countries in which the subsidiaries exist and/or operate and noted no issue of non-compliances.

7) The Committee evaluated the performance of KPMG Phoomchai Audit Limited, the external auditors of the Company, for the year 2014 and being satisfied, recommended to the Board for their re-appointment for the year 2015 along with the proposed audit fee.

8) The Audit Committee approved New Connected transactions which are required to be approved by the Audit Committee as per SEC/SET regulations and Connected Transaction Policy of the company.

Based on its review, the Committee is of the opinion that all such transactions took place at regular commercial conditions and justifiable terms on arm's length basis as would have been entered with outsiders, in the best interest of the Company, in line with the Connected Transaction Policy of the Company and in compliance with regulatory requirements.

9) The Audit Committee has conducted a self-assessment to review and evaluate its performance by benchmarking it with the Audit Committee Charter and best practice guidelines. The Audit Committee is satisfied that it has been effective in carrying out its duties and has followed the terms of reference in its charter. The results of the self-assessment were reported to the Board of Directors of the Company.

10) The Audit Committee reviewed the Audit Committee Charter and recommended changes in the Audit Committee Charter for approval of Board of Directors to bring it line with current practices.

Based on above, the Audit Committee believes that the Board of Directors and Management have operated the business with ethics and continue to perform duties professionally to achieve company's goals with thrust on operating business with effective internal controls and internal audit function, good corporate governance practices and periodic improvements in business processes.

On behalf of the Audit Committee



**Mr. Rathian Srimongkol**  
Chairman of the Audit Committee

# REPORT OF THE SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE FOR THE YEAR 2015

Indorama Ventures believes strongly the importance of Sustainability and Risk Management functions in the Company which enables the Company to anticipate and manage current and future economic, environmental and social opportunities and risks arising from the company's business activities.

The Board of Directors has assigned this responsibility to Sustainability and Risk Management Committee (the 'Committee') which comprises three independent and three executive directors of the Company.

The Committee is chaired by Mr. Alope Lohia, the Group CEO and Vice-Chairman of the Board and the other members of the Committee are Mr. Rathian Srimongkol, Independent Director, Vice-Chairman of the Board and Chairman of the Audit Committee, Mr. Maris Samaram, Independent Director and Member of the Audit Committee, Mr. Russell Leighton Kekuwa, Independent Director, Mr. Dilip Kumar Agarwal, CEO of PET and Feedstocks and Mr. Uday Paul Singh Gill, President of the Polyester Business. The Committee is supported by Sustainability Steering Committee (SSC) consisting of 13 Senior Executives of the Company having versatile disciplines needed.

During the year 2015, the Committee performed its duties and responsibilities as mandated by the Board of Directors and the Committee Charter. There were two meetings of the Committee and all the Members of the Committee attended both the meetings.

## **The Committee's key actions for the year 2015 were as below:**

1. Successful deployment of IVL Sustainability Framework across the organisation by integrating corporate sustainability into day-to-day business operations of the company.
2. Defining, guiding, directing, advising and endorsing sustainable strategies, policies, risk mitigation plans, corporate goals for continual improvement of efficiency in sustainability and the risk management processes including the learnings from Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment.
3. Throughout the year, the Committee and the Risk Management Sub Committees at the business and plant level monitored significant risks, specifically the risks mentioned below:
  - Strategic risks and opportunities including potential risks relating to environment, social, governance, and human rights in existing plants, expansions and new acquisitions;
  - Reputational risks including corruption, child and forced labour, environmental and regulatory compliances, and investor relations;
  - Risks relating to climate and environment protection, which are among those emerging risks, by keeping thrust on environment innovation;
  - Events having impact on cyclicity and integrity of the business.

All the entities of IVL operated in accordance with the Committee's approved framework, methods, and plans as well as recommendations.

4. Building and securing efficient supply chain mechanism across the entire value chain deriving competitive advantages through development of supply chain management framework, creating shared value, human capital development, retention and attraction of talent.
5. Review of company's strategies for the future, its sensitivity analysis twice during the year and presenting to the Board for its consideration.
6. Performing of self-assessment of its overall performance for the year 2015.

The Committee is committed to implementing sustainability with focus on environment, social and governance parameters in an effective and systematic manner, with clear objectives to protect, sustain and generate increased value to stakeholders of the Company.

On behalf of the Sustainability and Risk Management Committee



**Mr. Alope Lohia**  
Chairman

# REPORT OF THE IVL NOMINATION, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE (NCCG) FOR THE YEAR 2015

The NCCG Committee is chaired by Mr. William Ellwood Heinecke, Independent Director and other members of the Committee are Dr. Siri Ganjarerndee, Independent Director, Mr. Kanit Si, Independent Director and Mr. Alope Lohia, Group CEO and Vice-Chairman of the Board.

The NCCG Committee was appointed in May 2014 for a two year term.

During 2015, NCCG Committee held three meetings and performed the task in accordance with the scope of its responsibilities as assigned by the Board of Directors, in line with the NCCG Charter and as required by applicable regulations.

## **Duties performed by the NCCG Committee during the year are as follows:**

1. NCCG Committee had asked the CGPAC Committee (Corporate Governance Policy Awareness Campaign) for an update. Accordingly, CGPAC Committee made presentations in all the three NCCG Committee meetings during the year where it shared the information that 18 policies were developed and were shared with the employees across the world through an awareness campaign with the help of the HR function at each of the respective business units. These policies were translated into 12 languages in addition to English and are available on the IVL website. Anticorruption training was also conducted at all the sites with the help of the HR department.
2. Under the Company's Whistleblower Policy, the NCCG Committee reviewed the cases which were brought to the notice of the Whistleblower Committee during 2015. These cases and the respective actions taken were shared with the NCCG Committee.
3. The NCCG Committee also reviewed progress of good Corporate Governance practice implementation through the assessment of Thai-IOD. In the Corporate Governance Report by Thai-IOD, IVL was amongst the top 50 listed companies which scored 90 points and above. The CG score for IVL was 93% in 2015 against SET 50 Index companies' average of 87%; SET 100 Index companies' average of 84% and Overall listed companies' average score of 75%.
4. The NCCG Committee reviewed the Company's sustainability initiatives. It was informed that IVL would be implementing the GRI G4 standard in its sustainability report in 2014 and complying with the DJSI model. In comparison to Thai listed companies, under the Sustainable Development Index, Indorama Ventures's level was assessed to be:
  - a. CSR Program Indicator: "Engaged" i.e. level 3 in a scale of 6
  - b. Anti-corruption Program Indicator: "Declared" i.e. level 3 in a scale of 6
5. The Chairman suggested revisiting the Vision and Mission statements of IVL to make it appropriate for current strategy and to cover benefits to all the stakeholders including the environment. This project has been taken up and will be completed soon.

6. Based on suggestion of NCCG Committee employee engagement survey was conducted for the first time in IVL at global scale where 12,555 employees from 19 countries and four continents were covered. To address the diversity of 48 nationalities, the survey format was developed in 12 more languages besides English. This resulted in more than 90% participation, which high considering the size of IVL. Respective business units were provided with their results and they were asked to develop an intervention plan which will be reviewed further.
7. Regarding directors retiring by rotation, the NCCG Committee after considering the experience and contributions of the concerned directors, deemed it appropriate to re-appoint them for another term and recommended to the Board to re-appoint them as no nominations were received from the shareholders to appoint any new directors. In the Annual General Meeting of Shareholders held on 24th April 2014, the shareholders approved re-appointment of all the nominated directors.
8. Mr. Apisak Tantivorawong, Independent Director resigned due to another engagement and the name of Mr. Chakramon Phasukavanich was recommended for the Independent Director position in his place on the IVL Board.
9. Mr. Shashi Prakash Khaitan, Executive Director resigned due to ill health and Mr. Sanjay Ahuja was recommended for an Executives Director position to the IVL Board for their consideration.
10. The Committee reviewed and consented to the reappointment of members of the Sustainability Committee for the term of two years. It was also decided to change the name of the Sustainability Committee to "Sustainability and Risk Management Committee".
11. The NCCG Committee reviewed the summarized results of the self-evaluation of Board and sub-committees performance for the year and same was presented to the Board for their consideration. The NCCG Committee also performed individual assessments of all Directors with the Chairman of the Board.
12. The Balanced Score Card (BSC) of the Group CEO (GCEO) and the two Executives Directors were reviewed by the NCCG Committee. The Committee was happy to note that their recommendations like "Corporate Governance" score, etc., were incorporated in the BSC of 2015. It was also

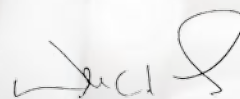
acknowledged by the Committee members that they were aware of GCEO's succession plan. The Executive Directors were asked to develop the same for their respective positions.

13. Based on the discussions on succession planning, Indorama Ventures Leadership Development Plan (IVLDP) was designed and the same was presented to the NCCG Committee. Subsequently, 60 executives were identified globally out of 360 from the top four layers of the organization. These executives were exposed to different concepts for three and a half months and finally they submitted their MD&A and IDP (individual development plan). Based on their output and potential assessment they were mapped in a nine box matrix. This process led to talent identification for structured succession planning.
14. Remuneration for Board of Directors and sub committees comprising of 'Audit Committee', 'NCCG Committee' and 'Sustainability & Risk Management Committee' for the year 2015 was considered based on a set criteria and the same was submitted to the Board for its consideration. While considering the compensation, NCCG Committee has considered the responsibilities, performance and also comparisons with industry peers.

The Committee is pleased to inform that IVL received following awards:

- **"Excellent – 5 star"** CG score for its practices of Corporate Governance of Thai Listed Companies
- **"ASEAN Corporate Governance"** award for top 50 ASEAN Listed Companies
- **Thailand Sustainability Investment 2015** award from Stock Exchange of Thailand
- **Sustainability Report Award 2015** from Stock Exchange of Thailand
- **Gold Award on Excellence in Governance, CSR and IR** from The Asset magazine

NCCG Committee believes that it has performed its duties diligently with integrity, recommended the Board adequately to ensure adherence to the principle of good governance and the in the best interest of all its stakeholders.



William E. Heinecke  
Chairman

# REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board of Directors of Indorama Ventures Public Company Limited places significance on its duties and responsibilities in supervising the Company's operations in compliance with good corporate governance principles and is accountable for the financial statements including financial data as shown in the Annual Report. The financial statements for the accounting year ended December 31, 2015 has been prepared under generally accepted accounting standards. In preparing the said financial statements, the Company has adopted accounting practices and standards that are appropriate to its nature of business. All material information has been sufficiently disclosed in the notes to financial statements. The financial statements have been audited by qualified and independent auditors who have confirmed that the said statements accurately reflect the actual financial standing, results and operating results over the past year, as well as being transparent.

The Board of Directors has maintained internal control, internal audit, risk management and corporate governance in order to ensure the completeness, adequacy and accurateness of the financial statements. The Board of Directors has assigned the Audit Committee to review the quality of financial reports, the internal control system as well as the appropriate disclosure of connected transactions.

The Board of Directors expresses its satisfaction with the adequacy, credibility and reliability on the internal control system and the financial statements of Indorama Ventures Public Company Limited and its subsidiary companies for the year ended December 31, 2015.



Mr. Sri Prakash Lohia  
Chairman



Mr. Alope Lohia  
Group CEO

# INDEPENDENT AUDITOR'S REPORT

## **To the Shareholders of Indorama Ventures Public Company Limited**

I have audited the accompanying consolidated and separate financial statements of Indorama Ventures Public Company Limited and its subsidiaries (the "Group") and of Indorama Ventures Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Consolidated and Separate Financial Statements**

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

## **Auditor's Responsibility**

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Emphasis of Matter

Without qualifying my opinion, I draw attention to the following matter;

As disclosed in note 3 to the consolidated financial statements, the Group changed its accounting policy for property, plant and equipment related to the manufacture of textiles and related products from 1 January 2015 to be consistent with the accounting policy applied across its business segments. The corresponding figures presented are based on the audited consolidated financial statements as at and for the year ended 31 December 2014, after making the adjustments described in note 3.

As disclosed in note 5 to the consolidated financial statements, the Group completed the acquisitions of businesses resulting in the recording of goodwill in the consolidated statement of financial position as at 31 December 2015 of Baht 918.4 million and gain on bargain purchases in the consolidated statement of income for the year ended 31 December 2015 of Baht 3,625.7 million. The fair values of the businesses acquired and the allocation of purchase price have been provisionally determined and are subject to potential amendment.



[Winid Silamongkol]  
Certified Public Accountant  
Registration No. 3378

KPMG Phoomchai Audit Ltd.  
Bangkok  
19 February 2016

# Indorama Ventures Public Company Limited and its Subsidiaries

## Statement of financial position

|                                                       |       | Consolidated financial statements |                    | Separate financial statements |                   |                   |
|-------------------------------------------------------|-------|-----------------------------------|--------------------|-------------------------------|-------------------|-------------------|
|                                                       |       | 31 December                       |                    | 1 January                     | 31 December       |                   |
| Assets                                                | Note  | 2015                              | 2014<br>(Restated) | 2014<br>(Restated)            | 2015              | 2014              |
| (in thousand Baht)                                    |       |                                   |                    |                               |                   |                   |
| <b>Current assets</b>                                 |       |                                   |                    |                               |                   |                   |
| Cash and cash equivalents                             | 7     | 3,232,476                         | 5,339,083          | 4,013,447                     | 7,424             | 2,887,049         |
| Current investments                                   | 8     | 451,805                           | 5,182,327          | 363,543                       | -                 | 5,000,000         |
| Trade accounts receivable                             | 6, 9  | 27,499,572                        | 26,202,987         | 28,827,189                    | -                 | -                 |
| Short-term loans to related parties                   | 6     | 265,561                           | 75,145             | 602                           | 11,788,515        | 16,914,437        |
| Inventories                                           | 10    | 31,785,633                        | 29,141,059         | 28,939,556                    | -                 | -                 |
| Other current assets                                  | 6, 11 | 7,313,154                         | 6,239,590          | 6,278,312                     | 59,735            | 211,167           |
| <b>Total current assets</b>                           |       | <b>70,548,201</b>                 | <b>72,180,191</b>  | <b>68,422,649</b>             | <b>11,855,674</b> | <b>25,012,653</b> |
| <b>Non-current assets</b>                             |       |                                   |                    |                               |                   |                   |
| Investments in subsidiaries and other equity security | 12    | -                                 | -                  | -                             | 46,846,899        | 42,141,073        |
| Investments in joint ventures                         | 13    | 1,962,392                         | 1,941,863          | 2,887,471                     | -                 | -                 |
| Other long-term investments                           | 8     | 119,605                           | 104,719            | 99,025                        | 70,000            | 70,000            |
| Long-term loans to related parties                    | 6     | 165,441                           | 164,125            | 98,441                        | 40,409,081        | 26,140,536        |
| Property, plant and equipment                         | 15    | 120,365,582                       | 97,822,470         | 94,934,539                    | -                 | -                 |
| Goodwill                                              | 16    | 9,788,557                         | 8,054,789          | 8,018,747                     | -                 | -                 |
| Other intangible assets                               | 17    | 13,581,188                        | 11,126,898         | 11,245,657                    | -                 | -                 |
| Deferred tax assests                                  | 18    | 2,686,770                         | 1,229,003          | 1,329,815                     | 10,332            | 25,977            |
| Other non-current assets                              | 6     | 2,422,879                         | 1,909,639          | 871,249                       | 423,365           | 249,085           |
| <b>Total non-current assets</b>                       |       | <b>151,092,414</b>                | <b>122,353,506</b> | <b>119,484,944</b>            | <b>87,759,677</b> | <b>68,626,671</b> |
| <b>Total assets</b>                                   |       | <b>221,640,615</b>                | <b>194,533,697</b> | <b>187,907,593</b>            | <b>99,615,351</b> | <b>93,639,324</b> |

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

# Indorama Ventures Public Company Limited and its Subsidiaries

## Statement of financial position

|                                                                  |       | Consolidated financial statements |                    | Separate financial statements |                   |                   |
|------------------------------------------------------------------|-------|-----------------------------------|--------------------|-------------------------------|-------------------|-------------------|
|                                                                  |       | 31 December                       |                    | 1 January                     | 31 December       |                   |
| Liabilities and equity                                           | Note  | 2015                              | 2014<br>(Restated) | 2014<br>(Restated)            | 2015              | 2014              |
| (in thousand Baht)                                               |       |                                   |                    |                               |                   |                   |
| <b>Current liabilities</b>                                       |       |                                   |                    |                               |                   |                   |
| Bank overdrafts and short-term loans from financial institutions | 19    | 12,115,009                        | 8,581,042          | 16,075,384                    | 1,244,000         | -                 |
| Trade accounts payable                                           | 6, 20 | 31,148,966                        | 27,764,210         | 25,663,247                    | -                 | -                 |
| Current portion of long-term loans from financial institutions   | 19    | 2,118,153                         | 4,426,228          | 3,921,866                     | 184,641           | 1,668,564         |
| Current portion of debentures                                    | 19    | 2,898,005                         | -                  | -                             | 2,898,005         | -                 |
| Current portion of finance lease liabilities                     | 19    | 8,440                             | 8,345              | 5,235                         | -                 | -                 |
| Income tax payable                                               |       | 1,162,679                         | 854,342            | 700,850                       | -                 | -                 |
| Other current liabilities                                        | 6, 21 | 7,931,899                         | 6,431,556          | 6,613,915                     | 344,064           | 292,616           |
| <b>Total current liabilities</b>                                 |       | <b>57,383,151</b>                 | <b>48,065,723</b>  | <b>52,980,497</b>             | <b>4,670,710</b>  | <b>1,961,180</b>  |
| <b>Non-current liabilities</b>                                   |       |                                   |                    |                               |                   |                   |
| Long-term loans from financial institutions                      | 19    | 34,140,288                        | 32,757,581         | 41,463,258                    | 7,728,858         | 5,721,807         |
| Debentures                                                       | 19    | 32,310,010                        | 27,498,956         | 23,795,700                    | 27,358,481        | 27,498,956        |
| Finance lease liabilities                                        | 19    | 16,351                            | 21,418             | 4,627                         | -                 | -                 |
| Deferred tax liabilities                                         | 18    | 11,223,050                        | 8,881,162          | 6,923,290                     | -                 | -                 |
| Employee benefit obligations                                     | 22    | 1,795,506                         | 1,754,996          | 961,818                       | -                 | -                 |
| Other non-current liabilities                                    |       | 1,819,297                         | 944,231            | 1,343,405                     | 294,864           | 14,250            |
| <b>Total non-current liabilities</b>                             |       | <b>81,304,502</b>                 | <b>71,858,344</b>  | <b>74,492,098</b>             | <b>35,382,203</b> | <b>33,235,013</b> |
| <b>Total liabilities</b>                                         |       | <b>138,687,653</b>                | <b>119,924,067</b> | <b>127,472,595</b>            | <b>40,052,913</b> | <b>35,196,193</b> |

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

# Indorama Ventures Public Company Limited and its Subsidiaries

## Statement of financial position

|                                                            |      | Consolidated financial statements |                    | Separate financial statements |             |            |
|------------------------------------------------------------|------|-----------------------------------|--------------------|-------------------------------|-------------|------------|
|                                                            |      | 31 December                       |                    | 1 January                     | 31 December |            |
| Liabilities and equity                                     | Note | 2015                              | 2014<br>(Restated) | 2014<br>(Restated)            | 2015        | 2014       |
| (in thousand Baht)                                         |      |                                   |                    |                               |             |            |
| Equity                                                     |      |                                   |                    |                               |             |            |
| Share capital:                                             |      |                                   |                    |                               |             |            |
| Authorised share capital                                   | 23   | 5,666,010                         | 5,666,010          | 4,815,857                     | 5,666,010   | 5,666,010  |
| Issued and paid-up share capital                           | 23   | 4,814,272                         | 4,814,257          | 4,814,257                     | 4,814,272   | 4,814,257  |
| Additional paid in capital:                                |      |                                   |                    |                               |             |            |
| Share premium                                              | 23   | 29,775,147                        | 29,774,627         | 29,774,627                    | 29,775,147  | 29,774,627 |
| Unrealised surpluses (deficits)                            |      |                                   |                    |                               |             |            |
| Hedging reserve                                            | 24   | [61,763]                          | [37,417]           | [8,389]                       | 40,028      | 154,865    |
| Currency translation differences                           | 24   | 4,658,692                         | 955,455            | 2,499,825                     | -           | -          |
| Excess of cost over book value of<br>acquired subsidiaries | 24   | [3,290,829]                       | [3,300,235]        | [3,304,456]                   | -           | -          |
| Differences arising from common<br>control transactions    | 24   | [1,235,562]                       | [1,235,562]        | [1,235,562]                   | -           | -          |
| Retained earnings                                          |      |                                   |                    |                               |             |            |
| Appropriated                                               |      |                                   |                    |                               |             |            |
| Legal reserve                                              | 24   | 1,989,919                         | 1,834,749          | 1,832,749                     | 566,601     | 481,586    |
| Unappropriated                                             |      | 28,301,295                        | 24,873,476         | 25,016,499                    | 9,492,318   | 8,343,724  |
| Equity attributable to shareholders<br>of the Company      |      | 64,951,171                        | 57,679,350         | 59,389,550                    | 44,688,366  | 43,569,059 |
| Subordinated perpetual debentures                          | 25   | 14,874,072                        | 14,874,072         | -                             | 14,874,072  | 14,874,072 |
| Equity attributable to equity holders<br>of the Company    |      | 79,825,243                        | 72,553,422         | 59,389,550                    | 59,562,438  | 58,443,131 |
| Non-controlling interests                                  | 14   | 3,127,719                         | 2,056,208          | 1,045,448                     | -           | -          |
| Total equity                                               |      | 82,952,962                        | 74,609,630         | 60,434,998                    | 59,562,438  | 58,443,131 |
|                                                            |      |                                   |                    |                               |             |            |
| Total liabilities and equity                               |      | 221,640,615                       | 194,533,697        | 187,907,593                   | 99,615,351  | 93,639,324 |

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

# Indorama Ventures Public Company Limited and its Subsidiaries

## Statement of income

|                                                       |        | Consolidated financial statements |                    | Separate financial statements |                  |
|-------------------------------------------------------|--------|-----------------------------------|--------------------|-------------------------------|------------------|
|                                                       |        | Year ended 31 December            |                    | Year ended 31 December        |                  |
|                                                       | Note   | 2015                              | 2014<br>(Restated) | 2015                          | 2014             |
|                                                       |        | (in thousand Baht)                |                    |                               |                  |
| <b>Income</b>                                         |        |                                   |                    |                               |                  |
| Revenue from sale of goods                            | 6      | 234,697,949                       | 243,907,218        | -                             | -                |
| Interest income                                       | 6      | 166,689                           | 71,615             | 2,726,247                     | 1,695,555        |
| Dividend income                                       | 6, 12  | -                                 | -                  | 3,128,853                     | 2,622,699        |
| Net foreign exchange gain                             |        | 48,496                            | 375,371            | 246,125                       | 34,754           |
| Gain on bargain purchases                             | 5      | 3,625,688                         | 1,669,890          | -                             | -                |
| Impact of flooding, net                               |        | -                                 | 140,000            | -                             | -                |
| Other income                                          | 6, 27  | 1,594,755                         | 1,572,773          | 388,081                       | 215,650          |
| <b>Total income</b>                                   |        | <b>240,133,577</b>                | <b>247,736,867</b> | <b>6,489,306</b>              | <b>4,568,658</b> |
| <b>Expenses</b>                                       |        |                                   |                    |                               |                  |
| Cost of sale of goods                                 | 6, 28  | 208,177,200                       | 221,869,155        | -                             | -                |
| Selling expenses                                      | 6, 29  | 12,443,474                        | 11,139,586         | -                             | -                |
| Administrative expenses                               | 6, 30  | 6,736,503                         | 5,397,437          | 329,029                       | 47,291           |
| Management benefit expenses                           | 31     | 112,895                           | 90,174             | 17,881                        | 17,770           |
| Impairment loss                                       | 13, 15 | -                                 | 744,082            | -                             | -                |
| Finance costs                                         | 33     | 3,652,131                         | 3,554,524          | 1,744,299                     | 1,773,844        |
| <b>Total expenses</b>                                 |        | <b>231,122,203</b>                | <b>242,794,958</b> | <b>2,091,209</b>              | <b>1,838,905</b> |
| Share of losses of investments in joint ventures, net | 13     | (242,165)                         | (1,356,055)        | -                             | -                |
| <b>Profit before income tax expense</b>               |        | <b>8,769,209</b>                  | <b>3,585,854</b>   | <b>4,398,097</b>              | <b>2,729,753</b> |
| Income tax expense                                    | 34     | 1,880,815                         | 1,625,367          | 44,354                        | -                |
| <b>Profit for the year</b>                            |        | <b>6,888,394</b>                  | <b>1,960,487</b>   | <b>4,353,743</b>              | <b>2,729,753</b> |
| <b>Profit attributable to:</b>                        |        |                                   |                    |                               |                  |
| Owners of the Company                                 |        | 6,609,264                         | 1,675,061          | 4,353,743                     | 2,729,753        |
| Non-controlling interests                             | 14     | 279,130                           | 285,426            | -                             | -                |
| <b>Profit for the year</b>                            |        | <b>6,888,394</b>                  | <b>1,960,487</b>   | <b>4,353,743</b>              | <b>2,729,753</b> |
| <b>Earnings per share</b>                             |        |                                   |                    |                               |                  |
| Basic and diluted earnings per share (in Baht)        | 36     | 1.20                              | 0.32               | 0.73                          | 0.54             |

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

# Indorama Ventures Public Company Limited and its Subsidiaries

## Statement of comprehensive income

|                                                                  |      | Consolidated financial statements |                    | Separate financial statements |           |
|------------------------------------------------------------------|------|-----------------------------------|--------------------|-------------------------------|-----------|
|                                                                  |      | Year ended 31 December            |                    | Year ended 31 December        |           |
|                                                                  | Note | 2015                              | 2014<br>(Restated) | 2015                          | 2014      |
| (in thousand Baht)                                               |      |                                   |                    |                               |           |
| Profit for the year                                              |      | 6,888,394                         | 1,960,487          | 4,353,743                     | 2,729,753 |
| Other comprehensive income                                       |      |                                   |                    |                               |           |
| Items that will never be reclassified to profit or loss          |      |                                   |                    |                               |           |
| Remeasurements of defined benefit asset (liability)              | 22   | 134,747                           | (413,355)          | -                             | -         |
| Income tax on other comprehensive income                         |      | (37,701)                          | 124,710            | -                             | -         |
|                                                                  |      | 97,046                            | (288,645)          | -                             | -         |
| Items that are or may be reclassified to profit or loss          |      |                                   |                    |                               |           |
| Foreign currency translation differences for foreign operations  |      | 3,798,347                         | (2,170,029)        | -                             | -         |
| Net gain (loss) on hedge of net investment in foreign operations |      | (143,546)                         | 489,004            | (143,546)                     | 489,004   |
| Effective portion of changes in fair value of cash flow hedges   |      | (34,722)                          | (34,944)           | -                             | -         |
| Income tax on other comprehensive income                         |      | 38,996                            | (91,945)           | 28,709                        | (97,801)  |
|                                                                  |      | 3,659,075                         | (1,807,914)        | (114,837)                     | 391,203   |
| Other comprehensive income for the year, net of income tax       |      | 3,756,121                         | (2,096,559)        | (114,837)                     | 391,203   |
| Total comprehensive income for the year                          |      | 10,644,515                        | (136,072)          | 4,238,906                     | 3,120,956 |
| Total comprehensive income attributable to:                      |      |                                   |                    |                               |           |
| Owners of the Company                                            |      | 10,382,014                        | (165,566)          | 4,238,906                     | 3,120,956 |
| Non-controlling interests                                        | 14   | 262,501                           | 29,494             | -                             | -         |
| Total comprehensive income for the year                          |      | 10,644,515                        | (136,072)          | 4,238,906                     | 3,120,956 |

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

# Indorama Ventures Public Company Limited and its Subsidiaries

## Statement of changes in equity

| Consolidated financial statements                                     |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
|-----------------------------------------------------------------------|----------------------------------|---------------|---------------|----------------|----------------------------------|---------------------|-----------------|---------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------|-----------------------------------|------------------------------------------------------|-----------|-------------|---------------------------|--------------|
| Note                                                                  | Retained earnings                |               |               |                | Other components of equity       |                     |                 |                                                         |                                                     |                                                    |                                   | Equity attributable to equity holders of the Company |           |             | Non-controlling interests | Total equity |
|                                                                       | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriated | Currency translation differences | Revaluation surplus | Hedging reserve | Excess of cost over book value of acquired subsidiaries | Difference arising from common control transactions | Equity attributable to shareholders of the Company | Subordinated perpetual debentures | Equity attributable to equity holders of the Company |           |             |                           |              |
|                                                                       |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
| <i>(in thousand Baht)</i>                                             |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
| Year ended 31 December 2014                                           |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
|                                                                       | 4,814,257                        | 29,774,627    | 1,832,749     | 25,013,556     | 2,499,825                        | 1,109,407           | [8,389]         | [3,294,950]                                             | [1,235,562]                                         | 60,505,520                                         | -                                 | 60,505,520                                           | 1,062,244 | 61,567,764  |                           |              |
| 3                                                                     | -                                | -             | -             | 2,943          | -                                | [1,109,407]         | -               | [9,506]                                                 | -                                                   | [1,115,970]                                        | -                                 | [1,115,970]                                          | [16,796]  | [1,132,766] |                           |              |
|                                                                       | 4,814,257                        | 29,774,627    | 1,832,749     | 25,016,499     | 2,499,825                        | -                   | [8,389]         | [3,304,456]                                             | [1,235,562]                                         | 59,389,550                                         | -                                 | 59,389,550                                           | 1,045,448 | 60,434,998  |                           |              |
| Transactions with owners, recorded directly in equity                 |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
| <i>Distributions to owners of the Company</i>                         |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
| 37                                                                    | -                                | -             | -             | [1,588,705]    | -                                | -                   | -               | -                                                       | -                                                   | [1,588,705]                                        | -                                 | [1,588,705]                                          | [65,687]  | [1,654,392] |                           |              |
|                                                                       | -                                | -             | -             | [1,588,705]    | -                                | -                   | -               | -                                                       | -                                                   | [1,588,705]                                        | -                                 | [1,588,705]                                          | [65,687]  | [1,654,392] |                           |              |
| <i>Changes in ownership interests in subsidiaries</i>                 |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
| Acquisition of non-controlling interests without a change in control  |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
|                                                                       | -                                | -             | -             | -              | -                                | -                   | -               | 4,221                                                   | -                                                   | 4,221                                              | -                                 | 4,221                                                | [48,043]  | [43,822]    |                           |              |
| Acquisition of non-controlling interests through business combination |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
|                                                                       | -                                | -             | -             | -              | -                                | -                   | -               | -                                                       | -                                                   | -                                                  | -                                 | -                                                    | 1,094,996 | 1,094,996   |                           |              |
| <i>Total changes in ownership interests in subsidiaries</i>           |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
|                                                                       | -                                | -             | -             | -              | -                                | -                   | -               | 4,221                                                   | -                                                   | 4,221                                              | -                                 | 4,221                                                | 1,046,953 | 1,051,174   |                           |              |
| Total transactions with owners, recorded directly in equity           |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
|                                                                       | -                                | -             | -             | [1,588,705]    | -                                | -                   | -               | 4,221                                                   | -                                                   | [1,584,484]                                        | -                                 | [1,584,484]                                          | 981,266   | [603,218]   |                           |              |
| <i>Comprehensive income for the year</i>                              |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
| Profit                                                                |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
|                                                                       | -                                | -             | -             | 1,675,061      | -                                | -                   | -               | -                                                       | -                                                   | 1,675,061                                          | -                                 | 1,675,061                                            | 285,426   | 1,960,487   |                           |              |
| Other comprehensive income                                            |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
|                                                                       | -                                | -             | -             | [267,229]      | [1,544,370]                      | -                   | [29,028]        | -                                                       | -                                                   | [1,840,627]                                        | -                                 | [1,840,627]                                          | [255,932] | [2,096,559] |                           |              |
| <i>Total comprehensive income for the year</i>                        |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
|                                                                       | -                                | -             | -             | 1,407,832      | [1,544,370]                      | -                   | [29,028]        | -                                                       | -                                                   | [165,566]                                          | -                                 | [165,566]                                            | 29,494    | [136,072]   |                           |              |
| Issuance of subordinated perpetual debentures                         |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
| 25                                                                    | -                                | -             | -             | 39,850         | -                                | -                   | -               | -                                                       | -                                                   | 39,850                                             | 14,874,072                        | 14,913,922                                           | -         | 14,913,922  |                           |              |
| Transfer to legal reserve                                             |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
|                                                                       | -                                | -             | 2,000         | [2,000]        | -                                | -                   | -               | -                                                       | -                                                   | -                                                  | -                                 | -                                                    | -         | -           |                           |              |
| Balance at 31 December 2014                                           |                                  |               |               |                |                                  |                     |                 |                                                         |                                                     |                                                    |                                   |                                                      |           |             |                           |              |
|                                                                       | 4,814,257                        | 29,774,627    | 1,834,749     | 24,873,476     | 955,455                          | -                   | [37,417]        | [3,300,235]                                             | [1,235,562]                                         | 57,679,350                                         | 14,874,072                        | 72,553,422                                           | 2,056,208 | 74,609,630  |                           |              |

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

# Indorama Ventures Public Company Limited and its Subsidiaries

## Statement of changes in equity

| Consolidated financial statements                                     |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
|-----------------------------------------------------------------------|----------------------------------|-------------------|---------------|----------------|----------------------------------|----------------------------|-----------------|-----------------------------------------------|-----------------------------------------------------|----------------------------------------------------|-----------------------------------|------------------------------------------------------|---------------------------|--------------|
|                                                                       |                                  | Retained earnings |               |                |                                  | Other components of equity |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
|                                                                       | Issued and paid-up share capital | Share premium     | Legal reserve | Unappropriated | Currency translation differences | Revaluation surplus        | Hedging reserve | Excess of book value of acquired subsidiaries | Difference arising from common control transactions | Equity attributable to shareholders of the Company | Subordinated perpetual debentures | Equity attributable to equity holders of the Company | Non-controlling interests | Total equity |
| Note                                                                  |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
| (in thousand Baht)                                                    |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
| Year ended 31 December 2015                                           |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
|                                                                       | 4,814,257                        | 29,774,627        | 1,834,749     | 24,869,817     | 955,455                          | 921,767                    | [37,417]        | [3,290,729]                                   | [1,235,562]                                         | 58,606,964                                         | 14,874,072                        | 73,481,036                                           | 2,073,721                 | 75,554,757   |
| 3                                                                     | -                                | -                 | -             | 3,659          | -                                | [921,767]                  | -               | [9,506]                                       | -                                                   | [927,614]                                          | -                                 | [927,614]                                            | [17,513]                  | [945,127]    |
|                                                                       | 4,814,257                        | 29,774,627        | 1,834,749     | 24,873,476     | 955,455                          | -                          | [37,417]        | [3,300,235]                                   | [1,235,562]                                         | 57,679,350                                         | 14,874,072                        | 72,553,422                                           | 2,056,208                 | 74,609,630   |
| Transactions with owners, recorded directly in equity                 |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
| Contributions by and distributions to owners of the Company           |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
| 23                                                                    | 15                               | 520               | -             | -              | -                                | -                          | -               | -                                             | -                                                   | 535                                                | -                                 | 535                                                  | -                         | 535          |
| 37                                                                    | -                                | -                 | -             | [2,070,134]    | -                                | -                          | -               | -                                             | -                                                   | [2,070,134]                                        | -                                 | [2,070,134]                                          | [58,104]                  | [2,128,238]  |
|                                                                       | 15                               | 520               | -             | [2,070,134]    | -                                | -                          | -               | -                                             | -                                                   | [2,069,599]                                        | -                                 | [2,069,599]                                          | [58,104]                  | [2,127,703]  |
| Changes in ownership interests in subsidiaries                        |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
| Acquisition of non-controlling interests without a change in control  |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
| Acquisition of non-controlling interests through business combination |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
| 5                                                                     | -                                | -                 | -             | -              | -                                | -                          | -               | 9,406                                         | -                                                   | 9,406                                              | -                                 | 9,406                                                | [23,476]                  | [14,070]     |
| Acquisition of non-controlling interests with a change in control     |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
|                                                                       | -                                | -                 | -             | -              | -                                | -                          | -               | -                                             | -                                                   | -                                                  | -                                 | -                                                    | 23,450                    | 23,450       |
|                                                                       | -                                | -                 | -             | -              | -                                | -                          | -               | -                                             | -                                                   | -                                                  | -                                 | -                                                    | 867,140                   | 867,140      |
|                                                                       | -                                | -                 | -             | -              | -                                | -                          | -               | 9,406                                         | -                                                   | 9,406                                              | -                                 | 9,406                                                | 867,114                   | 876,520      |
| Total changes in ownership interests in subsidiaries                  |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
| Total transactions with owners, recorded directly in equity           |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
|                                                                       | 15                               | 520               | -             | [2,070,134]    | -                                | -                          | -               | 9,406                                         | -                                                   | [2,060,193]                                        | -                                 | [2,060,193]                                          | 809,010                   | [1,251,183]  |
| Comprehensive income for the year                                     |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
| Profit                                                                |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
| Other comprehensive income                                            |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
|                                                                       | -                                | -                 | -             | 6,609,264      | -                                | -                          | -               | -                                             | -                                                   | 6,609,264                                          | -                                 | 6,609,264                                            | 279,130                   | 6,888,394    |
|                                                                       | -                                | -                 | -             | 93,859         | 3,703,237                        | -                          | [24,346]        | -                                             | -                                                   | 3,772,750                                          | -                                 | 3,772,750                                            | [16,629]                  | 3,756,121    |
|                                                                       | -                                | -                 | -             | 6,703,123      | 3,703,237                        | -                          | [24,346]        | -                                             | -                                                   | 10,382,014                                         | -                                 | 10,382,014                                           | 262,501                   | 10,644,515   |
| Total comprehensive income for the year                               |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
| Coupon payment on subordinated perpetual debentures                   |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
| 25                                                                    | -                                | -                 | -             | [1,050,000]    | -                                | -                          | -               | -                                             | -                                                   | [1,050,000]                                        | -                                 | [1,050,000]                                          | -                         | [1,050,000]  |
| Transfer to legal reserve                                             |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |
|                                                                       | -                                | -                 | 155,170       | [155,170]      | -                                | -                          | -               | -                                             | -                                                   | -                                                  | -                                 | -                                                    | -                         | -            |
|                                                                       | 4,814,272                        | 29,775,147        | 1,989,919     | 28,301,295     | 4,658,692                        | -                          | [61,763]        | [3,290,829]                                   | [1,235,562]                                         | 64,951,171                                         | 14,874,072                        | 79,825,243                                           | 3,127,719                 | 82,952,962   |
| Balance at 31 December 2015                                           |                                  |                   |               |                |                                  |                            |                 |                                               |                                                     |                                                    |                                   |                                                      |                           |              |

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

# Indorama Ventures Public Company Limited and its Subsidiaries

## Statement of changes in equity

| Separate financial statements                               |                                  |               |                   |                |                 |                                                    |                                   |                    |                                   |              |
|-------------------------------------------------------------|----------------------------------|---------------|-------------------|----------------|-----------------|----------------------------------------------------|-----------------------------------|--------------------|-----------------------------------|--------------|
| Note                                                        | Issued and paid-up share capital | Share premium | Retained earnings |                |                 | Equity attributable to shareholders of the Company |                                   |                    | Subordinated perpetual debentures | Total equity |
|                                                             |                                  |               | Legal reserve     | Unappropriated | Hedging reserve | Equity attributable to shareholders of the Company | Subordinated perpetual debentures |                    |                                   |              |
|                                                             |                                  |               |                   |                |                 |                                                    |                                   | (in thousand Baht) |                                   |              |
| Year ended 31 December 2014                                 |                                  |               |                   |                |                 |                                                    |                                   |                    |                                   |              |
|                                                             | 4,814,257                        | 29,774,627    | 481,586           | 7,162,826      | (236,338)       | 41,996,958                                         | -                                 | 41,996,958         |                                   |              |
| Transactions with owners, recorded directly in equity       |                                  |               |                   |                |                 |                                                    |                                   |                    |                                   |              |
| Distributions to owners of the Company                      |                                  |               |                   |                |                 |                                                    |                                   |                    |                                   |              |
| 37                                                          | -                                | -             | -                 | (1,588,705)    | -               | (1,588,705)                                        | -                                 | (1,588,705)        |                                   |              |
| Total distributions to owners of the Company                |                                  |               |                   |                |                 |                                                    |                                   |                    |                                   |              |
|                                                             | -                                | -             | -                 | (1,588,705)    | -               | (1,588,705)                                        | -                                 | (1,588,705)        |                                   |              |
| Total transactions with owners, recorded directly in equity |                                  |               |                   |                |                 |                                                    |                                   |                    |                                   |              |
|                                                             | -                                | -             | -                 | (1,588,705)    | -               | (1,588,705)                                        | -                                 | (1,588,705)        |                                   |              |
| Comprehensive income for the year                           |                                  |               |                   |                |                 |                                                    |                                   |                    |                                   |              |
|                                                             | -                                | -             | -                 | 2,729,753      | -               | 2,729,753                                          | -                                 | 2,729,753          |                                   |              |
|                                                             | -                                | -             | -                 | -              | 391,203         | 391,203                                            | -                                 | 391,203            |                                   |              |
| Total comprehensive income for the year                     |                                  |               |                   |                |                 |                                                    |                                   |                    |                                   |              |
|                                                             | -                                | -             | -                 | 2,729,753      | 391,203         | 3,120,956                                          | -                                 | 3,120,956          |                                   |              |
| Issuance of subordinated perpetual debentures               |                                  |               |                   |                |                 |                                                    |                                   |                    |                                   |              |
| 25                                                          | -                                | -             | -                 | 39,850         | -               | 39,850                                             | 14,874,072                        | 14,913,922         |                                   |              |
| Balance at 31 December 2014                                 |                                  |               |                   |                |                 |                                                    |                                   |                    |                                   |              |
|                                                             | 4,814,257                        | 29,774,627    | 481,586           | 8,343,724      | 154,865         | 43,569,059                                         | 14,874,072                        | 58,443,131         |                                   |              |

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

# Indorama Ventures Public Company Limited and its Subsidiaries

## Statement of changes in equity

|                                                                   | Separate financial statements |                                  |                   |               |                |                 |                                                    |            |                                   |              |
|-------------------------------------------------------------------|-------------------------------|----------------------------------|-------------------|---------------|----------------|-----------------|----------------------------------------------------|------------|-----------------------------------|--------------|
|                                                                   | Note                          | Issued and paid-up share capital | Retained earnings |               |                |                 | Equity attributable to shareholders of the Company |            | Subordinated perpetual debentures | Total equity |
|                                                                   |                               |                                  | Share premium     | Legal reserve | Unappropriated | Hedging reserve |                                                    |            |                                   |              |
|                                                                   |                               |                                  |                   |               |                |                 |                                                    |            |                                   |              |
| (in thousand Baht)                                                |                               |                                  |                   |               |                |                 |                                                    |            |                                   |              |
| Year ended 31 December 2015                                       |                               |                                  |                   |               |                |                 |                                                    |            |                                   |              |
| Balance at 1 January 2015                                         |                               | 4,814,257                        | 29,774,627        | 481,586       | 8,343,724      | 154,865         | 43,569,059                                         | 14,874,072 |                                   | 58,443,131   |
| Transactions with owners, recorded directly in equity             |                               |                                  |                   |               |                |                 |                                                    |            |                                   |              |
| Contributions by and distribution to owners of the Company        |                               |                                  |                   |               |                |                 |                                                    |            |                                   |              |
| Issue of ordinary shares due to warrants exercised                | 23                            | 15                               | 520               | -             | -              | -               | 535                                                | -          |                                   | 535          |
| Dividends                                                         | 37                            | -                                | -                 | -             | (2,070,134)    | -               | (2,070,134)                                        | -          |                                   | (2,070,134)  |
| Total contributions by and distributions to owners of the Company |                               | 15                               | 520               | -             | (2,070,134)    | -               | (2,069,599)                                        | -          |                                   | (2,069,599)  |
| Total transactions with owners, recorded directly in equity       |                               | 15                               | 520               | -             | (2,070,134)    | -               | (2,069,599)                                        | -          |                                   | (2,069,599)  |
| Comprehensive income for the year                                 |                               |                                  |                   |               |                |                 |                                                    |            |                                   |              |
| Profit                                                            |                               | -                                | -                 | -             | 4,353,743      | -               | 4,353,743                                          | -          |                                   | 4,353,743    |
| Other comprehensive income                                        |                               | -                                | -                 | -             | -              | (114,837)       | (114,837)                                          | -          |                                   | (114,837)    |
| Total comprehensive income for the year                           |                               | -                                | -                 | -             | 4,353,743      | (114,837)       | 4,238,906                                          | -          |                                   | 4,238,906    |
| Coupon payment on subordinated perpetual debentures               | 25                            | -                                | -                 | -             | (1,050,000)    | -               | (1,050,000)                                        | -          |                                   | (1,050,000)  |
| Transfer to legal reserve                                         |                               | -                                | -                 | 85,015        | (85,015)       | -               | -                                                  | -          |                                   | -            |
| Balance at 31 December 2015                                       |                               | 4,814,272                        | 29,775,147        | 566,601       | 9,492,318      | 40,028          | 44,688,366                                         | 14,874,072 |                                   | 59,562,438   |

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

# Indorama Ventures Public Company Limited and its Subsidiaries

## Statement of cash flows

|                                                                                  |      | Consolidated financial statements |                    | Separate financial statements |                |
|----------------------------------------------------------------------------------|------|-----------------------------------|--------------------|-------------------------------|----------------|
|                                                                                  |      | Year ended 31 December            |                    | Year ended 31 December        |                |
|                                                                                  | Note | 2015                              | 2014<br>(Restated) | 2015                          | 2014           |
| (in thousand Baht)                                                               |      |                                   |                    |                               |                |
| <b>Cash flows from operating activities</b>                                      |      |                                   |                    |                               |                |
| Profit for the year                                                              |      | 6,888,394                         | 1,960,487          | 4,353,743                     | 2,729,753      |
| <b>Adjustments for</b>                                                           |      |                                   |                    |                               |                |
| Depreciation                                                                     | 32   | 8,324,497                         | 7,108,346          | -                             | -              |
| Amortisation of intangible assets and other assets                               | 32   | 1,001,196                         | 790,239            | -                             | -              |
| Interest income                                                                  |      | (166,689)                         | (71,615)           | (2,726,247)                   | (1,695,555)    |
| Dividend income                                                                  | 12   | -                                 | -                  | (3,128,853)                   | (2,622,699)    |
| Gain on bargain purchases                                                        | 5    | (3,625,688)                       | (1,669,890)        | -                             | -              |
| Share of losses of investments in joint ventures,<br>net of income tax           | 13   | 242,165                           | 1,356,055          | -                             | -              |
| Finance costs                                                                    | 33   | 3,652,131                         | 3,554,524          | 1,744,299                     | 1,773,844      |
| Unrealised foreign exchange (gain) loss                                          |      | 129,879                           | 222,843            | (119,065)                     | 80,212         |
| Provision for (reversal of) allowance for bad<br>and doubtful debts expense, net | 9    | 19,896                            | (7,500)            | -                             | -              |
| Provision for inventory obsolescence, net                                        |      | 40,132                            | 169,831            | -                             | -              |
| Provision for impairment on property,<br>plant and equipment                     | 15   | 8,929                             | 597,411            | -                             | -              |
| Provision for impairment on investment in a joint venture                        | 13   | -                                 | 146,671            | -                             | -              |
| Provision loss on unrecoverable advances payment<br>for project                  | 30   | 609,701                           | -                  | 211,637                       | -              |
| Employee benefits expense                                                        | 22   | 317,474                           | 123,486            | -                             | -              |
| Loss on disposal of property, plant and equipment, net                           |      | 111,318                           | 64,468             | -                             | -              |
| Income tax expense                                                               | 34   | 1,880,815                         | 1,625,367          | 44,354                        | -              |
|                                                                                  |      | 19,434,150                        | 15,970,723         | 379,868                       | 265,555        |
| <b>Changes in operating assets and liabilities</b>                               |      |                                   |                    |                               |                |
| Trade accounts receivable                                                        |      | 4,515,770                         | 5,328,686          | -                             | -              |
| Inventories                                                                      |      | 1,168,229                         | 1,945,644          | -                             | -              |
| Other current assets                                                             |      | (92,562)                          | (272,388)          | (77,444)                      | 143,280        |
| Other non-current assets                                                         |      | (124,906)                         | (244,327)          | -                             | -              |
| Trade accounts payable                                                           |      | (1,046,844)                       | 659,694            | -                             | -              |
| Other current liabilities                                                        |      | 932,719                           | (485,345)          | 36,071                        | 9              |
| Other non-current liabilities                                                    |      | 770,861                           | (52,448)           | -                             | -              |
| Employee benefits obligation                                                     |      | (117,540)                         | (169,650)          | -                             | -              |
| Cash generated from operating activities                                         |      | 25,439,877                        | 22,680,589         | 338,495                       | 408,844        |
| Income taxes paid                                                                |      | (633,770)                         | (259,106)          | -                             | -              |
| <b>Net cash from operating activities</b>                                        |      | <b>24,806,107</b>                 | <b>22,421,483</b>  | <b>338,495</b>                | <b>408,844</b> |

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

# Indorama Ventures Public Company Limited and its Subsidiaries

## Statement of cash flows

|                                                                                                                           |        | Consolidated financial statements |                     | Separate financial statements |                    |
|---------------------------------------------------------------------------------------------------------------------------|--------|-----------------------------------|---------------------|-------------------------------|--------------------|
|                                                                                                                           |        | Year ended 31 December            |                     | Year ended 31 December        |                    |
|                                                                                                                           | Note   | 2015                              | 2014<br>(Restated)  | 2015                          | 2014               |
|                                                                                                                           |        | (in thousand Baht)                |                     |                               |                    |
| <b>Cash flows from investing activities</b>                                                                               |        |                                   |                     |                               |                    |
| Interest received                                                                                                         |        | 193,010                           | 41,973              | 2,872,603                     | 1,787,260          |
| Dividend received                                                                                                         |        | -                                 | -                   | 3,128,853                     | 2,622,699          |
| Purchase of property, plant and equipment                                                                                 |        | (10,281,778)                      | (8,434,428)         | -                             | -                  |
| Proceeds from sale of property, plant and equipment                                                                       |        | 79,147                            | 89,274              | -                             | -                  |
| Proceeds from sale (purchase) of other investments, net                                                                   |        | 4,868,095                         | (4,825,333)         | 5,000,000                     | (4,950,000)        |
| Purchase of intangible assets                                                                                             |        | (55,823)                          | (93,189)            | -                             | -                  |
| Proceeds from sale of intangible assets                                                                                   |        | 783                               | -                   | -                             | -                  |
| Net cash outflow on acquisitions of businesses                                                                            | 5      | (15,267,379)                      | (3,611,172)         | -                             | -                  |
| Net cash outflow on additional investments<br>in subsidiaries and joint ventures                                          | 12, 13 | (175,912)                         | (316,834)           | (4,705,826)                   | (1,234,005)        |
| Advance payment on additional investments<br>in a subsidiary and a joint venture                                          |        | (412,497)                         | (437,812)           | (1,918)                       | -                  |
| Advance payment for project                                                                                               |        | (247,163)                         | (915,549)           | -                             | 92,540             |
| <b>Net cash from (used in) investing activities</b>                                                                       |        | <b>(21,299,517)</b>               | <b>(18,503,070)</b> | <b>6,293,712</b>              | <b>(1,681,506)</b> |
| <b>Cash flows from financing activities</b>                                                                               |        |                                   |                     |                               |                    |
| Interest paid                                                                                                             |        | (3,646,630)                       | (3,479,853)         | (1,699,214)                   | (1,706,866)        |
| Deferred financing cost paid                                                                                              |        | (90,537)                          | (40,234)            | (55,917)                      | (12,312)           |
| Dividends paid to owners of the Company                                                                                   | 37     | (2,069,886)                       | (1,587,820)         | (2,069,886)                   | (1,587,820)        |
| Dividends paid to non-controlling interests                                                                               |        | (58,104)                          | (65,687)            | -                             | -                  |
| Proceeds from short and long-term borrowings                                                                              |        | 8,803,640                         | 4,093,744           | 7,366,570                     | 2,477,585          |
| Repayment of short and long-term borrowings                                                                               |        | (14,998,775)                      | (19,944,268)        | (5,798,093)                   | (6,211,345)        |
| Repayment of finance leases                                                                                               |        | (7,902)                           | (9,057)             | -                             | -                  |
| Proceeds from issue of ordinary shares due to<br>warrants exercised                                                       | 23     | 535                               | -                   | 535                           | -                  |
| Proceeds from issue of debenture, net of debenture<br>issuance costs of Baht 44,178,674 in 2015<br>(2014: Baht 8,341,122) | 19     | 7,686,048                         | 3,691,659           | 2,745,490                     | 3,691,659          |
| Proceed from issue of subordinated perpetual<br>debentures, net of issuance costs of Baht 125,928,326                     | 25     | -                                 | 14,874,072          | -                             | 14,874,072         |
| Coupon payment on subordinated perpetual debentures                                                                       |        | (1,050,000)                       | -                   | (1,050,000)                   | -                  |
| Loan from a subsidiary                                                                                                    |        | -                                 | -                   | -                             | (164,300)          |
| Loans to subsidiaries                                                                                                     |        | -                                 | -                   | (8,951,317)                   | (7,878,144)        |
| Loans to joint ventures                                                                                                   |        | (175,869)                         | (97,442)            | -                             | -                  |
| <b>Net cash from (used in) financing activities</b>                                                                       |        | <b>(5,607,480)</b>                | <b>(2,564,886)</b>  | <b>(9,511,832)</b>            | <b>3,482,529</b>   |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                                               |        | <b>(2,100,890)</b>                | <b>1,353,527</b>    | <b>(2,879,625)</b>            | <b>2,209,867</b>   |
| Cash and cash equivalents at 1 January                                                                                    |        | 5,339,083                         | 4,013,447           | 2,887,049                     | 677,182            |
| Effect of exchange rate changes on balances held<br>in foreign currencies                                                 |        | (5,717)                           | (27,891)            | -                             | -                  |
| <b>Cash and cash equivalents at 31 December</b>                                                                           | 7      | <b>3,232,476</b>                  | <b>5,339,083</b>    | <b>7,424</b>                  | <b>2,887,049</b>   |

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

# Indorama Ventures Public Company Limited and its Subsidiaries

## Notes to the financial statements

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# Indorama Ventures Public Company Limited and its Subsidiaries

## Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 19 February 2016.

### 1 General information

Indorama Ventures Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 75/102, Ocean Tower II, 37<sup>th</sup> Floor, Sukhumvit 19, Asoke Road, Klongtoeynew, Wattana, Bangkok, Thailand. The Company was listed on the Stock Exchange of Thailand in February 2010.

The immediate and ultimate parent companies during the financial year were Indorama Resources Limited, incorporated in Thailand, and Canopus International Limited, incorporated in Mauritius, respectively.

The principal activities of the Company and its subsidiaries (“Group”) are the manufacture and distribution of polyethylene terephthalate (“PET”), purified terephthalic acid (“PTA”), ethylene oxide and ethylene glycol (“EO&EG”), polyester fibers and yarns, and wool products. Details of the Company’s subsidiaries and joint ventures as at 31 December 2015 and 2014 are given in notes 6, 12 and 13.

### 2 Basis of preparation of the financial statements

#### (a) Statement of compliance

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

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s/Company’s accounting policies.

The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those revised TFRS that are relevant to the Group’s/Company’s operations are disclosed in note 41.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following which are measured on an alternative basis on each reporting date.

| Items                            | Measurement base                                                                |
|----------------------------------|---------------------------------------------------------------------------------|
| Derivative financial instruments | Fair value                                                                      |
| Net defined benefit liability    | Present value of defined benefit obligation, limited as explained in note 4 (n) |

#### (c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

#### ***(d) Use of judgements and estimates***

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

#### ***Assumption and estimation uncertainties***

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

|            |                                                         |
|------------|---------------------------------------------------------|
| Note 4 (t) | Current and deferred taxation                           |
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#### ***Measurement of fair values***

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

The Group/Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to senior management.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group/Company Audit Committee.

When measuring the fair value of an asset or a liability, the Group/Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Further information about the assumptions made in measuring fair values is included in note 38 - Financial instruments.

### 3 Changes in accounting policies

#### **(a) New and revised TFRS**

From 1 January 2015, consequent to the adoption of new and revised TFRS as set out in note 2, the Group/Company has adopted the following new TFRS having a material effect on the Group's/Company's financial statements:

- TFRS 13 Fair Value Measurement

A description of the nature and effect of the changes in accounting policy consequent to the adoption of this new TFRS is included below:

##### ***Fair value measurement***

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs.

In accordance with the transitional provisions of TFRS 13, the Group/Company has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures.

#### **(b) Accounting for property, plant and equipment measurement**

From 1 January 2015, the Group has changed the accounting policy of property, plant and equipment related to the manufacture of textiles and related products by applying cost model in accordance with TAS 16 (revised 2014) property, plant and equipment to be consistent with the accounting policy applied across its business segments. Such change in accounting policy has been applied retrospectively.

Prior to the year 2015, machinery and equipment related to the manufacture of textiles and related products were stated at their revalued amounts. Any increase in value, on revaluation, was recognised in other comprehensive income and presented in "the revaluation surplus" in equity unless it offset a previous decrease in value recognised in the statement of income in respect of the same asset. A decrease in value was recognised in the statement of income to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Management believes that the change in accounting policy enables the Group to apply the accounting policies consistently across its business functions and in line with other companies in the same industry, resulting in reliable and more relevant information.

The impact on the consolidated financial statements was as follows:

|                                                                     | Consolidated financial statements |                                       |             |
|---------------------------------------------------------------------|-----------------------------------|---------------------------------------|-------------|
|                                                                     | As previously reported            | Effect of change in accounting policy | As restated |
|                                                                     | (in thousand Baht)                |                                       |             |
| <b>Statement of financial position 1 January 2014</b>               |                                   |                                       |             |
| Decrease in property, plant and equipment                           | 96,213,493                        | [1,278,954]                           | 94,934,539  |
| Increase in deferred tax assets                                     | 1,185,116                         | 144,699                               | 1,329,815   |
| <b>Total</b>                                                        |                                   | <b>(1,134,255)</b>                    |             |
| Decrease in deferred tax liabilities                                | 6,924,779                         | [1,489]                               | 6,923,290   |
| Decrease in revaluation surplus                                     | 1,109,407                         | [1,109,407]                           | -           |
| Decrease in excess of cost over book value of acquired subsidiaries | [3,294,950]                       | [9,506]                               | [3,304,456] |
| Increase in retained earnings                                       | 25,013,556                        | 2,943                                 | 25,016,499  |
| Decrease in non-controlling interests                               | 1,062,244                         | [16,796]                              | 1,045,448   |
| <b>Total</b>                                                        |                                   | <b>(1,134,255)</b>                    |             |
| <b>Statement of financial position 31 December 2014</b>             |                                   |                                       |             |
| Decrease in property, plant and equipment                           | 98,900,604                        | [1,078,134]                           | 97,822,470  |
| Increase in deferred tax assets                                     | 1,105,256                         | 123,747                               | 1,229,003   |
| <b>Total</b>                                                        |                                   | <b>(954,387)</b>                      |             |
| Decrease in deferred tax liabilities                                | 8,890,422                         | [9,260]                               | 8,881,162   |
| Decrease in revaluation surplus                                     | 921,767                           | [921,767]                             | -           |
| Decrease in excess of cost over book value of acquired subsidiaries | [3,290,729]                       | [9,506]                               | [3,300,235] |
| Increase in retained earnings                                       | 24,869,817                        | 3,659                                 | 24,873,476  |
| Decrease in non-controlling interests                               | 2,073,721                         | [17,513]                              | 2,056,208   |
| <b>Total</b>                                                        |                                   | <b>(954,387)</b>                      |             |
| <b>Consolidated financial statements</b>                            |                                   |                                       |             |
| <b>2014</b>                                                         |                                   |                                       |             |
| <b>(in thousand Baht)</b>                                           |                                   |                                       |             |
| <b>Statement of income for the year ended 31 December</b>           |                                   |                                       |             |
| Decrease in depreciation expense                                    |                                   | 200,820                               |             |
| Increase in deferred tax expense                                    |                                   | [10,905]                              |             |
| Increase in profit for the year                                     |                                   | 189,915                               |             |
| Increase in earnings per share                                      |                                   |                                       |             |
| - Basic and diluted earnings per share (in Baht)                    |                                   | 0.04                                  |             |

## 4 Significant accounting policies

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

### (a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in joint ventures.

#### *Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, other professional and consulting fees are expensed as incurred.

#### *Acquisitions from entities under common control*

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with Guidelines issued in 2009 by the FAP.

#### *Subsidiaries*

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

#### *Loss of control*

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

#### *Interests in equity-accounted investees*

The Group’s interests in equity-accounted investees comprise interests in joint ventures.

A joint venture is arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

#### *Transactions eliminated on consolidation*

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

### **(b) Foreign currencies**

#### *Foreign currency transactions*

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

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

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

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to functional currency at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the transaction of the following items are recognised in other comprehensive income:

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

#### *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates at transaction dates.

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

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

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

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity in the consolidated financial statements until disposal of the investment.

**(c) Derivative financial instruments**

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 4 (d)).

The fair value of interest rate swaps is based on broker quotes at the reporting date. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on governmental bonds).

The difference between the fixed price and the settlement price of commodity futures entered under time spread agreements with financial institutions are recognised in profit or loss in the period in which the contracts mature.

**(d) Hedging**

***Fair value hedges***

Where a derivative hedges the changes in fair value of a recognised asset, liability or unrecognised firm commitment (or an identified portion of such asset, liability or firm commitment), any gain or loss on remeasuring the fair value or foreign currency component of the hedging instrument is recognised in profit or loss. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in profit or loss.

***Cash flow hedges***

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative financial instrument is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion is recognised immediately in profit or loss.

When a hedged forecast transaction occurs and results in the recognition of a financial asset or financial liability, the gain or loss recognised in other comprehensive income does not adjust the initial carrying amount of the asset or liability but remains in equity and is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

For hedges of forecast transactions that result in the recognition of a non-financial asset or non-financial liability, the gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

***Hedge of net investment in foreign operation***

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for similarly to cash flow hedges.

***Discontinuing hedge accounting***

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument existing in equity is retained in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is recognised in the profit or loss immediately.

**(e) Cash and cash equivalents**

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

**(f) Trade and other accounts receivable**

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**(g) Inventories**

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

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

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

**(h) Investments**

*Investments in subsidiaries and joint ventures*

Investments in subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investment in joint ventures in the consolidated financial statements are accounted for using the equity method.

*Investments in other equity securities*

Equity securities which are not marketable are stated at cost less any impairment losses.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

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

**(i) Property, plant and equipment**

*Recognition and measurement*

*Owned assets*

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

#### *Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss.

#### *Subsequent costs*

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

#### *Depreciation*

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

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

|                                          |      |       |
|------------------------------------------|------|-------|
| Land improvements                        | 5-50 | years |
| Buildings and building improvements      | 4-50 | years |
| Machinery and equipment                  | 1-30 | years |
| Office furniture, fixtures and equipment | 2-20 | years |
| Transportation equipment                 | 3-10 | years |
| Stores and spares                        | 1-20 | years |

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

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

### **(j) Intangible assets**

#### *Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

#### *Research and development*

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

#### *Other intangible assets*

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

#### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

#### *Amortisation*

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

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

|                                      |        |        |            |
|--------------------------------------|--------|--------|------------|
| Rights acquired                      | 5-50   | years  |            |
| Supplier contract and relationships  | 3-10   | years, | Indefinite |
| Software licenses                    | 1-15   | years  |            |
| Technology licenses and knowhow      | 5-30   | years  |            |
| Customer contracts and relationships | 3-20.3 | years  |            |
| Trade name and trademarks            | 9-21.5 | years, | Indefinite |
| Chemicals exchange contract          | 19     | years  |            |
| Research and Development expense     | 3-13   | years  |            |

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

#### **(k) Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

#### *Calculation of recoverable amount*

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

#### *Reversals of impairment*

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

#### **(l) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

#### **(m) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(n) Employee benefits**

*Defined contribution plans*

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

*Defined benefit plans*

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

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

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

*Other long-term employee benefits*

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

*Termination benefits*

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

*Short-term employee benefits*

Short-term employee benefit obligations are expensed as the related service is provided.

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

**(o) Provisions**

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

**(p) Subordinated perpetual debentures**

Subordinated perpetual debentures are recognised as equity when the Company has the sole right and discretion to unconditionally defer principle repayment, interest and cumulative interest payment without time and deferral amount limitation. Accordingly, any coupon payments are accounted for as dividends and are recognised directly in equity at the time the payment obligation arises. This is because the coupon payments are discretionary and relate to equity. Coupon payments consequently do not have any impact in profit or loss. Coupon payments are recognised in the cash flow statement in the same way as dividends to ordinary shareholders.

**(q) Revenue**

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

*Sale of goods*

Revenue is recognised in the profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

*Interest and dividend income*

Interest income is recognised in profit or loss as it accrues. Dividend income is recognised in profit or loss on the date the Group's right to receive payment is established.

**(r) Finance costs**

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**(s) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

*Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

**(t) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group/Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group/Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

**(u) Earnings per share**

The Group/Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company less cumulative coupon payment on subordinated perpetual debentures whether it has been accrued or not by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company less coupon payment on subordinated perpetual debentures and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares from exercise of warrants.

**(v) Segment reporting**

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's head quarters), head office expenses, and tax assets and liabilities, etc.

## 5 Acquisitions of businesses

*Gain on bargain purchases and goodwill*

The excess of the Group's interest in the net identified assets and liabilities of the companies acquired over cost during the year ended 31 December 2015 is considered by management as gain on bargain purchases. The gain on bargain purchases and goodwill recognised in the consolidated statement of income for the year ended 31 December 2015 and the consolidated statement of financial position as at 31 December 2015, respectively, are as following:

**Gain on bargain purchases**

|                                                     | <b>Note</b> | <b>2015</b><br><i>(in thousand Baht)</i> |
|-----------------------------------------------------|-------------|------------------------------------------|
| Polyplex Resins San. ve Tic. A.S., Turkey           | 5(i)        | 201,737                                  |
| Bangkok Polyesters Public Company Limited, Thailand | 5(iii)      | 907,578                                  |
| CEPSA Chimie Montréal s.e.c, Canada                 | 5(iv)       | 2,458,906                                |
| Micro Polypet Private Limited, India                | 5(v)        | 57,467                                   |
| <b>Total gains on bargain purchases</b>             |             | <b>3,625,688</b>                         |

**Goodwill**

|                                                | <b>Note</b> | <b>2015</b><br><i>(in thousand Baht)</i> |
|------------------------------------------------|-------------|------------------------------------------|
| Performance Fibers Holdings Finance, Inc., USA | 5(ii)       | 918,402                                  |
|                                                |             | <b>918,402</b>                           |

In accordance with TFRS3, management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the fair values of acquisition of businesses during 2015 is dependent on determination of the ultimate purchase price and completion of the purchase price allocation exercise.

During the years ended 31 December 2015 and 2014, the Group incurred acquisition-related costs of Baht 124.8 million and Baht 36.8 million, respectively, relating to external legal fees, advisory fees and due diligence costs. These amounts have been included in administrative expenses in the Group's consolidated statements of income for the years ended 31 December 2015 and 2014, respectively.

**(ii) Polyplex Resins San. ve Tic. A.S., Turkey**

On 2 March 2015, Indorama Netherlands B.V., an indirect subsidiary registered in the Netherlands, completed the acquisition of PET facilities, through the purchase of 100% equity interest in Polyplex Resins San. ve Tic. A.S., located in Turkey, from Polyplex Europa Polyester Film San. ve Tic. A.S. and Polyplex (Asia) Pte. Ltd. as per the share purchase agreement dated 8 January 2015 for a consideration of up to EUR 5.8 million (Baht 210.2 million). The transaction is accounted for as a business combination. Subsequent to the completion of acquisition, Polyplex Resins San. ve Tic. A.S. was renamed to Indorama Ventures Corlu PET Sanayi Anonim Sirketi on 29 April 2015. During the period from acquisition date to 31 December 2015, the business contributed revenue of EUR 80.4 million (Baht 3,073.6 million) and net loss of EUR 10.4 million (Baht 398.6 million) to the Group's results. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2015.

Management believes that under its European strategy, the acquisition will broaden access not only to traditional North European markets but the emerging markets of South East Europe.

**Identifiable assets acquired and liabilities assumed**

|                                                                 | <b>Note</b> | <b>Carrying amounts</b>   | <b>Fair value adjustments</b> | <b>Recognised values</b> |
|-----------------------------------------------------------------|-------------|---------------------------|-------------------------------|--------------------------|
|                                                                 |             | <i>(in thousand Baht)</i> |                               |                          |
| Cash and cash equivalents                                       |             | 30,712                    | -                             | 30,712                   |
| Inventories                                                     |             | 383,961                   | -                             | 383,961                  |
| Accounts receivable                                             |             | 60,037                    | -                             | 60,037                   |
| Property, plant and equipment                                   | 15          | 2,249,642                 | 185,351                       | 2,434,993                |
| Intangible assets                                               | 17          | 1,227                     | -                             | 1,227                    |
| Short-term loan from financial institutions                     |             | (227,269)                 | -                             | (227,269)                |
| Accounts payable                                                |             | (429,699)                 | -                             | (429,699)                |
| Long-term loan from financial institutions                      |             | (881,325)                 | -                             | (881,325)                |
| Long-term loan from the previous shareholders                   |             | (894,204)                 | -                             | (894,204)                |
| Deferred tax                                                    | 18          | -                         | (40,945)                      | (40,945)                 |
| Other assets/(liabilities), net                                 |             | (25,590)                  | -                             | (25,590)                 |
| <b>Net identifiable assets acquired and liabilities assumed</b> |             | <b>267,492</b>            | <b>144,406</b>                | <b>411,898</b>           |
| Gain on bargain purchase                                        |             |                           |                               | (201,737)                |
| <b>Total consideration</b>                                      |             |                           |                               | <b>210,161</b>           |

An independent appraiser has been appointed to determine the fair value of the business but the report of the appraiser is not yet completed as at the date of approval of these consolidated financial statements. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date.

**(ii) Performance Fibers Holdings Finance, Inc., USA**

On 1 April 2015, Indorama Ventures Holdings LP, an indirect subsidiary registered in the USA, completed the business acquisition of premium tyre cord facilities in different locations globally from Sun Performance Fibers, LLC, a limited liability company registered in the USA, through the acquisition of 100% equity interest in Performance Fibers Holdings Finance, Inc., a limited liability company registered in the USA, as per the Agreement and Plan of Merger dated 5 December 2014 for a preliminary cash consideration of USD 193.3 million (Baht 6,283.3 million). During the fourth quarter of 2015, the final purchase price was settled with the seller to be USD 192.3 million (Baht 6,250.7 million). The transaction is accounted for as a business combination. During the period from acquisition date to 31 December 2015, the business contributed revenue of CNY 823.1 million (Baht 4,548.9 million) and net loss of CNY 3.3 million (Baht 18.4 million) to the Group's results. If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue would have increased by Baht 1,404.4 million and consolidated profit for the year would have increased by Baht 46.6 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2015.

Management believes that the acquisition will bring together a broad and complimentary portfolio of acknowledged automotive safety products and accelerate the Group's growth in high value added "HVA" auto applications. Additionally, the acquisition will result in synergy in the raw material supply chain as PF Asia plants are located close to IVL's existing PET polymers facility in China.

*Identifiable assets acquired and liabilities assumed*

|                                                                 | <i>Note</i> | <b>Carrying amounts</b> | <b>Fair value adjustments</b> | <b>Recognised values</b> |
|-----------------------------------------------------------------|-------------|-------------------------|-------------------------------|--------------------------|
| <i>(in thousand Baht)</i>                                       |             |                         |                               |                          |
| Cash and cash equivalents                                       |             | 379,867                 | -                             | 379,867                  |
| Inventories                                                     |             | 880,793                 | -                             | 880,793                  |
| Accounts receivable                                             |             | 1,036,083               | -                             | 1,036,083                |
| Property, plant and equipment                                   | 15          | 3,545,461               | 990,364                       | 4,535,825                |
| Intangible assets                                               | 17          | 26,684                  | 1,643,128                     | 1,669,812                |
| Accounts payable                                                |             | (1,102,661)             | -                             | (1,102,661)              |
| Short-term loan from financial institution                      |             | (1,234,593)             | -                             | (1,234,593)              |
| Long-term loan from financial institution                       |             | (117,571)               | -                             | (117,571)                |
| Deferred tax                                                    | 18          | 55,762                  | (641,841)                     | (586,079)                |
| Other assets/(liabilities), net                                 |             | (129,169)               | -                             | (129,169)                |
| <b>Net identifiable assets acquired and liabilities assumed</b> |             | <b>3,340,656</b>        | <b>1,991,651</b>              | <b>5,332,307</b>         |
| Goodwill                                                        |             |                         |                               | 918,402                  |
| <b>Total consideration</b>                                      |             |                         |                               | <b>6,250,709</b>         |
| Cash acquired                                                   |             |                         |                               | (379,867)                |
| <b>Net consideration - paid</b>                                 |             |                         |                               | <b>5,870,842</b>         |

An independent appraiser has been appointed to determine the fair value of the business but the report of the appraiser is not yet completed as at the date of approval of these consolidated financial statements. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date.

**(iii) Bangkok Polyesters Public Company Limited, Thailand**

On 11 May 2015, IVL, through its subsidiary, Indorama Petrochem Limited, completed the acquisition of 98.97% equity interest in Bangkok Polyesters Public Company Limited, a PET Polymers producer in Rayong, Thailand. The 94.91% equity interest was acquired from its major shareholder, Bangkok Cable Company Limited, as per the share purchase agreement dated 17 March 2015 for a cash consideration of Baht 1,300.3 million and the additional 4.06% equity interest was acquired from other minority shareholders for a cash consideration of Baht 55.9 million. The transaction is accounted for as a business combination. Subsequent to the completion of acquisition, Bangkok Polyesters Public Company Limited was renamed to Indorama Ventures Polymers (Rayong) Public Company Limited on 4 June 2015. During the period from acquisition date to

31 December 2015, the business contributed revenue of Baht 2,370.9 million and net profit of Baht 10.7 million to the Group's results. If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue would have increased by Baht 1,084.2 million and consolidated profit for the year would have decreased by Baht 92.9 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2015.

Management believes that the acquisition will help strengthen the groups Asian PET market position and increase synergies across the value chain.

*Identifiable assets acquired and liabilities assumed*

|                                                                           | <i>Note</i> | <b>Carrying amounts</b> | <b>Fair value adjustments</b> | <b>Recognised values</b> |
|---------------------------------------------------------------------------|-------------|-------------------------|-------------------------------|--------------------------|
| <i>(in thousand Baht)</i>                                                 |             |                         |                               |                          |
| Cash and cash equivalents                                                 |             | 98,877                  | -                             | 98,877                   |
| Current investment                                                        |             | 150,000                 | -                             | 150,000                  |
| Inventories                                                               |             | 449,839                 | -                             | 449,839                  |
| Accounts receivable                                                       |             | 307,932                 | -                             | 307,932                  |
| Property, plant and equipment                                             | 15          | 895,175                 | 763,800                       | 1,658,975                |
| Intangible assets                                                         | 17          | 218                     | 259,424                       | 259,642                  |
| Accounts payable                                                          |             | (375,676)               | -                             | (375,676)                |
| Deferred tax                                                              | 18          | (65,261)                | (204,645)                     | (269,906)                |
| Other assets/(liabilities), net                                           |             | 7,516                   | -                             | 7,516                    |
| <b>Net identifiable assets acquired and liabilities assumed</b>           |             | <b>1,468,620</b>        | <b>818,579</b>                | <b>2,287,199</b>         |
| Controlling interests (%)                                                 |             |                         |                               | 98.97                    |
| <b>Fair value of identifiable assets acquired and liabilities assumed</b> |             |                         |                               | <b>2,263,752</b>         |
| Gain on bargain purchase                                                  |             |                         |                               | (907,578)                |
| <b>Total consideration</b>                                                |             |                         |                               | <b>1,356,174</b>         |
| Cash acquired                                                             |             |                         |                               | (98,877)                 |
| <b>Net consideration - paid</b>                                           |             |                         |                               | <b>1,257,297</b>         |

An independent appraiser has been appointed to determine the fair value of the business but the report of the appraiser is not yet completed as at the date of approval of these consolidated financial statements. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date.

**(iv) CEP SA Chimie Montréal s.e.c, Canada**

On 1 June 2015, IVL, through its indirect subsidiary, Indorama Netherlands B.V., completed the acquisition of 100% equity interest in CEP SA Chimie Montréal s.e.c which has PTA manufacturing facility in Canada from Cepsa Química SA, IQ CHIMIE INC. and 4200144 Canada Inc., Canada, as per the share purchase agreement dated 30 March 2015 for a preliminary cash consideration of USD 242.0 million (Baht 8,171.0 million). During the third quarter of 2015, the final purchase price was settled with the seller to be USD 236.7 million (Baht 7,992.7 million). The transaction is accounted for as a business combination. Subsequent to the completion of acquisition, CEP SA Chimie Montréal Inc., Quebec Inc. and CEP SA Chimie Montréal s.e.c were renamed to Indorama Ventures Gestion Inc., Indorama Ventures Northern Investments Inc. and Indorama Ventures PTA Montréal LP, respectively. During the period from acquisition date to 31 December 2015, the business contributed revenue of USD 258.6 million (Baht 9,136.1 million) and net profit of USD 21.1 million (Baht 744.6 million) to the Group's results. If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue would have increased by Baht 6,511.5 million and consolidated profit for the year would have increased by Baht 128.2 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2015.

Management believes that the acquisition is in line with IVL's strategy to expand its core business and increase integration of the Group's existing PET and fiber assets in the region and secure feedstock supplies.

*Identifiable assets acquired and liabilities assumed*

|                                                                 | <i>Note</i> | <b>Carrying amounts</b> | <b>Fair value adjustments</b> | <b>Recognised values</b> |
|-----------------------------------------------------------------|-------------|-------------------------|-------------------------------|--------------------------|
| <i>(in thousand Baht)</i>                                       |             |                         |                               |                          |
| Cash and cash equivalents                                       |             | 23,672                  | -                             | 23,672                   |
| Inventories                                                     |             | 1,974,925               | -                             | 1,974,925                |
| Accounts receivable                                             |             | 4,130,369               | -                             | 4,130,369                |
| Property, plant and equipment                                   | 15          | 7,250,625               | (3,627,108)                   | 3,623,517                |
| Intangible assets                                               | 17          | 812,113                 | (249,618)                     | 562,495                  |
| Accounts payable                                                |             | (2,105,967)             | -                             | (2,105,967)              |
| Deferred tax                                                    | 18          | 533,648                 | 1,042,839                     | 1,576,487                |
| Other assets/(liabilities), net                                 |             | 666,082                 | -                             | 666,082                  |
| <b>Net identifiable assets acquired and liabilities assumed</b> |             | <b>13,285,467</b>       | <b>(2,833,887)</b>            | <b>10,451,580</b>        |
| Gain on bargain purchase                                        |             |                         |                               | (2,458,906)              |
| <b>Total consideration</b>                                      |             |                         |                               | <b>7,992,674</b>         |
| Cash acquired                                                   |             |                         |                               | (23,672)                 |
| <b>Net consideration - paid</b>                                 |             |                         |                               | <b>7,969,002</b>         |

An independent appraiser has been appointed to determine the fair value of the business but the report of the appraiser is not yet completed as at the date of approval of these consolidated financial statements. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date.

**(v) Micro Polypet Private Limited, India**

On 23 December 2015, IVL, through its subsidiary, Indorama Ventures Global Services Limited, completed the acquisition of 100% equity interest in Micro Polypet Private Limited and its subsidiaries, Sanchit Polymers Private Limited and Eternity Infrabuild Private Limited, which have PET manufacturing facility in India from previous shareholders, Mr. Raj Kumar Gupta (48.11% equity interest), Luna Infraprop Private Limited (35.59% equity interest) and other minority shareholders (16.30% equity interest), as per the share purchase agreement dated 28 November 2015 for a cash consideration of INR 320.5 million (Baht 173.8 million). The transaction is accounted for as a business combination. During the period from acquisition date to 31 December 2015, the business contributed revenue of INR 51.3 million (Baht 27.9 million) and net profit of INR 23.2 million (Baht 12.6 million) to the Group's results. If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue would have increased by Baht 1,717.8 million and consolidated profit for the year would have decreased by Baht 423.0 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2015.

Management believes that through this acquisition, IVL establishes its foothold in one of the world's largest developing economies which will further enhance its relationship with global leading fast moving consumer goods brand owners.

*Identifiable assets acquired and liabilities assumed*

|                                                                 | <i>Note</i> | <b>Carrying amounts</b> | <b>Fair value adjustments</b> | <b>Recognised values</b> |
|-----------------------------------------------------------------|-------------|-------------------------|-------------------------------|--------------------------|
| <i>(in thousand Baht)</i>                                       |             |                         |                               |                          |
| Cash and cash equivalents                                       |             | 5,640                   | -                             | 5,640                    |
| Inventories                                                     |             | 148,975                 | -                             | 148,975                  |
| Accounts receivable                                             |             | 85,060                  | -                             | 85,060                   |
| Property, plant and equipment                                   | 15          | 2,698,329               | 173,122                       | 2,871,451                |
| Intangible assets                                               | 17          | -                       | 35,936                        | 35,936                   |
| Accounts payable                                                |             | (83,918)                | -                             | (83,918)                 |
| Short-term loan from financial institution                      |             | (1,019,808)             | -                             | (1,019,808)              |
| Long-term loan from financial institution                       |             | (2,034,451)             | -                             | (2,034,451)              |
| Deferred tax                                                    | 18          | 133,090                 | (60,789)                      | 72,301                   |
| Other assets/(liabilities), net                                 |             | 150,046                 | -                             | 150,046                  |
| <b>Net identifiable assets acquired and liabilities assumed</b> |             | <b>82,963</b>           | <b>148,269</b>                | <b>231,232</b>           |
| Gain on bargain purchase                                        |             |                         |                               | (57,467)                 |
| <b>Total consideration</b>                                      |             |                         |                               | <b>173,765</b>           |
| Cash acquired                                                   |             |                         |                               | (5,640)                  |
| <b>Net consideration - paid</b>                                 |             |                         |                               | <b>168,125</b>           |

An independent appraiser has been appointed to determine the fair value of the business but the report of the appraiser is not yet completed as at the date of approval of these consolidated financial statements. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date.

## 6 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group/Company if the Group/Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group/Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

*Relationship with key management and other related parties were as follows:*

| <b>Name of entities</b>                                    | <b>Country of incorporation/<br/>nationality</b> | <b>Nature of relationships</b>                                                             |
|------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------|
| Indorama Resources Limited                                 | Thailand                                         | Immediate parent company, 63.69% shareholder, some common directors                        |
| Indorama Petrochem Limited                                 | Thailand                                         | Subsidiary, 100.00% shareholding, some common directors                                    |
| Indorama Holdings Limited                                  | Thailand                                         | Subsidiary, 99.81% shareholding, some common directors                                     |
| TPT Petrochemicals Public Company Limited                  | Thailand                                         | Subsidiary, 99.97% shareholding, some common directors                                     |
| Indorama Polymers Public Company Limited                   | Thailand                                         | Subsidiary, 72.60% shareholding and 27.00% interest held indirectly, some common directors |
| Indorama Polyester Industries Public Company Limited       | Thailand                                         | Subsidiary, 64.94% shareholding and 34.55% interest held indirectly, some common directors |
| Indorama Ventures Global Services Limited                  | Thailand                                         | Subsidiary, 100.00% shareholding, some common directors                                    |
| IVL Belgium N.V.                                           | Belgium                                          | Subsidiary, 100.00% shareholding, some common directors                                    |
| Indo Polymers Mauritius Limited                            | Mauritius                                        | Subsidiary, 100.00% shareholding, some common director                                     |
| Asia Pet (Thailand) Limited                                | Thailand                                         | Indirect subsidiary, 99.60% effective interest, some common directors                      |
| Indorama Ventures Polymers (Rayong) Public Company Limited | Thailand                                         | Indirect subsidiary, 99.99% effective interest, some common directors                      |

| Name of entities                                             | Country of incorporation/<br>nationality | Nature of relationships                                                               |
|--------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------|
| Petform (Thailand) Limited                                   | Thailand                                 | Indirect subsidiary, 59.76% effective interest, some common directors                 |
| UAB Indorama Holdings Europe                                 | Lithuania                                | Indirect subsidiary, 99.81% effective interest, some common director                  |
| Indorama Holdings Rotterdam B.V.                             | The Netherlands                          | Indirect subsidiary, 99.81% effective interest, some common director                  |
| UAB Indorama Polymers Europe                                 | Lithuania                                | Indirect subsidiary, 99.60% effective interest, some common director                  |
| Indorama Polymers Rotterdam B.V.                             | The Netherlands                          | Indirect subsidiary, 99.60% effective interest, some common director                  |
| Indorama Polymers Workington Limited                         | United Kingdom                           | Indirect subsidiary, 99.60% effective interest, some common director                  |
| UAB Orion Global PET                                         | Lithuania                                | Indirect subsidiary, 99.60% effective interest, some common director                  |
| Indorama Netherlands Cooperatief U.A.                        | The Netherlands                          | Indirect subsidiary, 100.00% effective interest                                       |
| Indorama Netherlands B.V.                                    | The Netherlands                          | Indirect subsidiary, 100.00% effective interest                                       |
| Indorama Ventures Europe B.V.                                | The Netherlands                          | Indirect subsidiary, 100.00% effective interest, some common director                 |
| Indorama Ventures Poland Sp. z o.o.                          | Poland                                   | Indirect subsidiary, 100.00% effective interest, some common director                 |
| Indorama Trading AG                                          | Switzerland                              | Indirect subsidiary, 99.81% effective interest, some common director                  |
| Indorama Trading (UK) Limited                                | United Kingdom                           | Indirect subsidiary, 99.81% effective interest, some common key management personnel  |
| Beacon Trading (UK) Limited                                  | United Kingdom                           | Indirect subsidiary, 99.81% effective interest, some common key management personnel  |
| Indorama PET (Nigeria) Limited                               | Nigeria                                  | Indirect subsidiary, 89.64% effective interest, some common director                  |
| Indorama Ventures Packaging (Nigeria) Limited                | Nigeria                                  | Indirect subsidiary, 100.00% effective interest                                       |
| IVL Singapore PTE Limited                                    | Singapore                                | Indirect subsidiary, 99.60% effective interest, some common director                  |
| Indorama Ventures Packaging (Myanmar) Limited                | Myanmar                                  | Indirect subsidiary, 99.60% effective interest                                        |
| Guangdong IVL PET Polymer Company Limited                    | China                                    | Indirect subsidiary, 99.60% effective interest, some common directors                 |
| IVL Holding, S. de R.L. de C.V.                              | Mexico                                   | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| Grupo Indorama Ventures, S. de R.L. de C.V.                  | Mexico                                   | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| Indorama Ventures Polymers Mexico, S. de R.L. de C.V.        | Mexico                                   | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| Indorama Ventures Polycom, S. de R.L. de C.V.                | Mexico                                   | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| Indorama Ventures Servicios Corporativos, S. de R.L. de C.V. | Mexico                                   | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| PT Indorama Ventures Indonesia                               | Indonesia                                | Indirect subsidiary, 100.00% effective interest, some common directors                |
| PT Indorama Polyester Industries Indonesia                   | Indonesia                                | Indirect subsidiary, 100.00% effective interest, some common directors                |
| KP Equity Partners Inc.                                      | Malaysia                                 | Indirect subsidiary, 100.00% effective interest, some common directors                |
| PT Indorama Polychem Indonesia                               | Indonesia                                | Indirect subsidiary, 100.00% effective interest, some common director                 |
| Indorama Ventures Recycling Netherlands B.V.                 | The Netherlands                          | Indirect subsidiary, 100.00% effective interest                                       |
| Wellman International Limited                                | Ireland                                  | Indirect subsidiary, 100.00% effective interest, some common director                 |
| Wellman France Recyclage SAS                                 | France                                   | Indirect subsidiary, 100.00% effective interest                                       |
| Wellman International Handelsgesellschaft GmbH               | Germany                                  | Indirect subsidiary, 100.00% effective interest                                       |
| MJR Recycling B.V.                                           | The Netherlands                          | Indirect subsidiary, 100.00% effective interest                                       |
| Indorama Ventures Northern Investments Inc.                  | Canada                                   | Indirect subsidiary, 100.00% effective interest, some common directors                |
| Indorama Ventures Gestion Inc.                               | Canada                                   | Indirect subsidiary, 100.00% effective interest, some common directors                |
| Indorama Ventures PTA Montréal LP                            | Canada                                   | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| 4200144 Canada Inc.                                          | Canada                                   | Indirect subsidiary, 100.00% effective interest                                       |
| Indorama Ventures Dutch Investments B.V.                     | The Netherlands                          | Indirect subsidiary, 51.00% effective interest                                        |
| Indorama Ventures Investments USA LLC                        | USA                                      | Indirect subsidiary, 51.00% effective interest                                        |

| Name of entities                                      | Country of incorporation/<br>nationality | Nature of relationships                                                               |
|-------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------|
| Beverage Plastics (Holdings) Limited                  | United Kingdom                           | Indirect subsidiary, 51.00% effective interest                                        |
| Beverage Plastics Limited                             | United Kingdom                           | Indirect subsidiary, 51.00% effective interest                                        |
| PT Indorama Polypet Indonesia                         | Indonesia                                | Indirect subsidiary, 100.00% effective interest, some common director                 |
| Indorama Ventures Performance Fibers Holdings USA LLC | USA                                      | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| Indorama Ventures Olefins Holding LLC                 | USA                                      | Indirect subsidiary, 100.00% effective interest                                       |
| Indorama Ventures Olefins LLC                         | USA                                      | Indirect subsidiary, 75.99% effective interest, some common key management personnel  |
| FiberVisions Corporation                              | USA                                      | Indirect subsidiary, 100.00% effective interest, some common directors                |
| FiberVisions Manufacturing Company                    | USA                                      | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| FiberVisions L.P.                                     | USA                                      | Indirect subsidiary, 100.00% effective interest                                       |
| FiberVisions Products, Inc.                           | USA                                      | Indirect subsidiary, 100.00% effective interest some common key management personnel  |
| FiberVisions A/S                                      | Denmark                                  | Indirect subsidiary, 100.00% effective interest                                       |
| FiberVisions (China) A/S                              | Denmark                                  | Indirect subsidiary, 100.00% effective interest                                       |
| FiberVisions (China) Textile Products Limited         | China                                    | Indirect subsidiary, 100.00% effective interest                                       |
| FiberVisions vermögensverwaltungs mbH                 | Germany                                  | Indirect subsidiary, 100.00% effective interest                                       |
| Indorama Ventures Holdings LP                         | USA                                      | Indirect subsidiary, 100.00% effective interest some common key management personnel  |
| Indorama Ventures OGL Holdings LP                     | USA                                      | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| Indorama Ventures [Oxide & Glycols] LLC               | USA                                      | Indirect subsidiary, 100.00% effective interest, some common directors                |
| Performance Fibers Holdings Finance, Inc.             | USA                                      | Indirect subsidiary, 100.00% effective interest                                       |
| Performance Fibers Asia Holdings, LLC                 | USA                                      | Indirect subsidiary, 100.00% effective interest                                       |
| Performance Fibers Asia, LLC                          | USA                                      | Indirect subsidiary, 100.00% effective interest                                       |
| Performance Fibers (Hong Kong) Limited                | Hong Kong                                | Indirect subsidiary, 100.00% effective interest, some common director                 |
| Performance Fibers (Kaiping) Company Limited          | China                                    | Indirect subsidiary, 100.00% effective interest, some common director                 |
| Performance Fibers (Kaiping) No.2 Company Limited     | China                                    | Indirect subsidiary, 100.00% effective interest, some common director                 |
| Indorama Ventures Logistics LLC                       | USA                                      | Indirect subsidiary, 100.00% effective interest, some common directors                |
| PHP Fibers GmbH                                       | Germany                                  | Indirect subsidiary, 80.00% effective interest some common director                   |
| PHP Overseas Investments GmbH                         | Germany                                  | Indirect subsidiary, 80.00% effective interest                                        |
| Polyamide High Performance Inc.                       | USA                                      | Indirect subsidiary, 80.00% effective interest some common director                   |
| Safe Tweave Inc.                                      | USA                                      | Indirect subsidiary, 80.00% effective interest                                        |
| Indorama Ventures Adana PET Sanayi Anonim Sirketi     | Turkey                                   | Indirect subsidiary, 100.00% effective interest, some common directors                |
| Indorama Ventures Corlu PET Sanayi Anonim Sirketi     | Turkey                                   | Indirect subsidiary, 100.00% effective interest, some common directors                |
| Indorama Ventures USA Holdings LP                     | USA                                      | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| Indorama Ventures Polyholding LLC                     | USA                                      | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| Indorama Ventures North America LLC                   | USA                                      | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| Indorama Ventures USA LLC                             | USA                                      | Indirect subsidiary, 100.00% effective interest, some common key management personnel |
| StarPet Inc.                                          | USA                                      | Indirect subsidiary, 100.00% effective interest, some common directors                |
| Auriga Polymers Inc.                                  | USA                                      | Indirect subsidiary, 100.00% effective interest, some common directors                |

| Name of entities                                               | Country of incorporation/<br>nationality | Nature of relationships                                                                                                                                                                                                 |
|----------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Indorama Ventures AlphaPet Holdings, Inc.                      | USA                                      | Indirect subsidiary, 100.00% effective interest, some common directors                                                                                                                                                  |
| Indorama Polymers (USA) LLC                                    | USA                                      | Indirect subsidiary, 100.00% effective interest                                                                                                                                                                         |
| AlphaPet, Inc.                                                 | USA                                      | Indirect subsidiary, 100.00% effective interest, some common directors                                                                                                                                                  |
| Indorama Ventures Packaging (Philippines) Corporation          | Philippines                              | Indirect subsidiary, 100.00% effective interest                                                                                                                                                                         |
| Indorama Ventures Packaging (Ghana) Limited                    | Republic of Ghana                        | Indirect subsidiary, 100.00% effective interest                                                                                                                                                                         |
| Trevira Holdings GmbH                                          | Germany                                  | Indirect subsidiary, 75.00% effective interest, some common director                                                                                                                                                    |
| Trevira GmbH                                                   | Germany                                  | Indirect subsidiary, 75.00% effective interest                                                                                                                                                                          |
| Trevira North America, LLC                                     | USA                                      | Indirect subsidiary, 75.00% effective interest                                                                                                                                                                          |
| Micro Polypet Private Limited                                  | India                                    | Indirect subsidiary, 100.00% effective interest, some common director                                                                                                                                                   |
| Eternity Infrabuild Private Limited                            | India                                    | Indirect subsidiary, 100.00% effective interest, some common director                                                                                                                                                   |
| Sanchit Polymers Private Limited                               | India                                    | Indirect subsidiary, 100.00% effective interest, some common director                                                                                                                                                   |
| UAB Ottana Polimeri Europe                                     | Lithuania                                | Indirect joint venture, 50.00% effective interest, 50% of directors are representatives of the Company                                                                                                                  |
| Ottana Polimeri S.R.L.                                         | Italy                                    | Indirect joint venture, 50.00% effective interest                                                                                                                                                                       |
| PT Indorama Petrochemicals                                     | Indonesia                                | Indirect joint venture, 43.16% effective interest                                                                                                                                                                       |
| ES FiberVisions, Inc.                                          | USA                                      | Indirect joint venture, 50.00% effective interest                                                                                                                                                                       |
| ES FiberVisions LP                                             | USA                                      | Indirect joint venture, 50.00% effective interest                                                                                                                                                                       |
| ES FiberVisions Holdings ApS                                   | Denmark                                  | Indirect joint venture, 50.00% effective interest                                                                                                                                                                       |
| ES FiberVisions ApS                                            | Denmark                                  | Indirect joint venture, 50.00% effective interest                                                                                                                                                                       |
| ES FiberVisions Hong Kong Limited                              | Hong Kong                                | Indirect joint venture, 50.00% effective interest                                                                                                                                                                       |
| ES FiberVisions China Limited                                  | China                                    | Indirect joint venture, 50.00% effective interest                                                                                                                                                                       |
| ES FiberVisions Company Limited                                | Japan                                    | Indirect joint venture, 50.00% effective interest                                                                                                                                                                       |
| ES FiberVisions (Suzhou) Co., Ltd.                             | China                                    | Indirect joint venture, 50.00% effective interest                                                                                                                                                                       |
| ES FiberVisions (Thailand) Company Limited                     | Thailand                                 | Indirect joint venture, 50.00% effective interest                                                                                                                                                                       |
| ShenMa-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd. | China                                    | Indirect joint venture, 39.20% effective interest                                                                                                                                                                       |
| PHP-ShenMa Air Bag Yarn Marketing (Shanghai) Co., Ltd.         | China                                    | Indirect joint venture, 40.80% effective interest                                                                                                                                                                       |
| TTI GmbH                                                       | Germany                                  | Indirect joint venture, 40.00% effective interest                                                                                                                                                                       |
| Indorama Ventures EcoMex, S. de R.L. de C.V.                   | Mexico                                   | Indirect joint venture, 51.00% effective interest, some common key management personnel                                                                                                                                 |
| Indorama Ventures EcoMex, Services, S. de R.L. de C.V.         | Mexico                                   | Indirect joint venture, 51.00% effective interest, some common key management personnel                                                                                                                                 |
| PT Indorama Synthetics TBK                                     | Indonesia                                | 43.16% shareholder of indirect joint venture, some common directors                                                                                                                                                     |
| Pacific Resources Limited                                      | Thailand                                 | Family relationships with directors                                                                                                                                                                                     |
| Cryoviva (Thailand) Limited                                    | Thailand                                 | Some common directors                                                                                                                                                                                                   |
| Indo Rama Synthetics (India) Limited                           | India                                    | Family relationships with directors                                                                                                                                                                                     |
| Lohia Global Holdings Limited                                  | Hong Kong                                | Family relationships with directors                                                                                                                                                                                     |
| Indorama Eleme Petrochemicals Limited                          | Nigeria                                  | 10% shareholder of indirect subsidiary, some common directors                                                                                                                                                           |
| PT Irama Unggul                                                | Indonesia                                | Family relationships with directors                                                                                                                                                                                     |
| Indorama Commerce DMCC                                         | United Arab Emirates                     | Some common directors                                                                                                                                                                                                   |
| Vega Aviation Limited                                          | British Virgin Islands                   | Family relationships with common directors                                                                                                                                                                              |
| Key management personnel                                       | Thailand/India/Indonesia/USA             | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group/Company. |

On 1 January 2015, Indorama Ventures Packaging (Myanmar) Limited, a new indirect subsidiary, was incorporated in Myanmar, with the registered share capital of Kyat 4,700 million (Baht 150.8 million).

On 3 September 2015, Indorama Ventures Dutch Investments B.V., a new indirect subsidiary, was incorporated in the Netherlands, with the registered share capital of Euro 0.09 million (Baht 3.2 million).

On 4 September 2015, Indorama Ventures Investments USA LLC, a new indirect subsidiary, was incorporated in USA, with no registered share capital because of partnership formation.

On 4 September 2015, Indorama Ventures Olefins LLC, a new indirect subsidiary, was incorporated in USA, with no registered share capital because of partnership formation.

On 13 November 2015, Indorama Ventures Olefins Holding LLC, a new indirect subsidiary, was incorporated in USA, with no registered share capital because of partnership formation.

On 29 December 2015, Indorama Ventures North America LLC, a new indirect subsidiary, was incorporated in USA, with no registered share capital because of partnership formation.

The pricing policies for transactions with related parties are explained further below:

| Transactions                        | Pricing policies                        |
|-------------------------------------|-----------------------------------------|
| Sales of goods                      | Market prices                           |
| Purchases of goods                  | Market prices                           |
| Interest income                     | Market linked rate/contractually agreed |
| Other income                        | Contractually agreed                    |
| Interest expense                    | Market linked rate/contractually agreed |
| Selling and administrative expenses | Contractually agreed                    |

Significant transactions for the years ended 31 December with related parties were as follows:

| Year ended 31 December                               | Consolidated<br>financial statements |           | Separate<br>financial statements |           |
|------------------------------------------------------|--------------------------------------|-----------|----------------------------------|-----------|
|                                                      | 2015                                 | 2014      | 2015                             | 2014      |
|                                                      | (in thousand Baht)                   |           |                                  |           |
| <b>Subsidiaries</b>                                  |                                      |           |                                  |           |
| Interest income                                      | -                                    | -         | 2,652,395                        | 1,648,827 |
| Interest expense                                     | -                                    | -         | -                                | 1,850     |
| Other income                                         | -                                    | -         | 386,869                          | 204,701   |
| Dividend income                                      | -                                    | -         | 3,128,853                        | 2,622,699 |
| <b>Key management personnel</b>                      |                                      |           |                                  |           |
| Directors' fee and bonus                             | 21,621                               | 21,518    | 17,881                           | 17,770    |
| Short-term employee benefits                         | 89,410                               | 62,092    | -                                | -         |
| Long-term employee benefits                          | 1,864                                | 6,564     | -                                | -         |
| <b>Other related parties</b>                         |                                      |           |                                  |           |
| Sales of goods                                       | 2,525,612                            | 5,500,221 | -                                | -         |
| Purchases of goods and raw materials                 | 720,861                              | 411,775   | -                                | -         |
| Other raw materials conversion charges and overheads | 993                                  | 1,224     | -                                | -         |
| Selling and administrative expenses                  | 236,385                              | 203,929   | 13,639                           | 7,909     |
| Other income                                         | 1,346                                | 2,472     | -                                | -         |

| <i>Year ended 31 December</i>                        | <b>Consolidated<br/>financial statements</b> |             | <b>Separate<br/>financial statements</b> |             |
|------------------------------------------------------|----------------------------------------------|-------------|------------------------------------------|-------------|
|                                                      | <b>2015</b>                                  | <b>2014</b> | <b>2015</b>                              | <b>2014</b> |
|                                                      | <i>(in thousand Baht)</i>                    |             |                                          |             |
| <b>Joint ventures</b>                                |                                              |             |                                          |             |
| Sales of goods                                       | 5,451,033                                    | 3,567,253   | -                                        | -           |
| Purchases of goods and raw materials                 | 9,914,090                                    | 10,036,213  | -                                        | -           |
| Other raw materials conversion charges and overheads | 3,304                                        | -           | -                                        | -           |
| Interest income                                      | 4,146                                        | 2,850       | -                                        | -           |
| Other income                                         | 26,033                                       | 42,298      | 1,212                                    | 5,432       |

Balances as at 31 December with related parties were as follows:

|                                                                   | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |             |
|-------------------------------------------------------------------|----------------------------------------------|------------------|------------------------------------------|-------------|
|                                                                   | <b>2015</b>                                  | <b>2014</b>      | <b>2015</b>                              | <b>2014</b> |
|                                                                   | <i>(in thousand Baht)</i>                    |                  |                                          |             |
| <b>Trade accounts receivable from related parties</b>             |                                              |                  |                                          |             |
| <b>Other related parties</b>                                      |                                              |                  |                                          |             |
| Indo Rama Synthetics (India) Limited                              | 523,899                                      | 1,027,591        | -                                        | -           |
| PT Indorama Synthetics TBK                                        | 106,560                                      | 163,181          | -                                        | -           |
|                                                                   | 630,459                                      | 1,190,772        | -                                        | -           |
| <b>Joint ventures</b>                                             |                                              |                  |                                          |             |
| PT Indorama Petrochemicals                                        | -                                            | 1,354            | -                                        | -           |
| ES FiberVisions LP                                                | 244,897                                      | 236,072          | -                                        | -           |
| ES FiberVisions ApS                                               | 167,560                                      | 135,274          | -                                        | -           |
| ES FiberVisions Hong Kong Limited                                 | 35,713                                       | 48,731           | -                                        | -           |
| ES FiberVisions (Suzhou) Co., Ltd.                                | 68,872                                       | 67,013           | -                                        | -           |
| ES FiberVisions Holdings ApS                                      | 10,995                                       | -                | -                                        | -           |
| ES FiberVisions China Limited                                     | 4,871                                        | -                | -                                        | -           |
| ShenMa-PHP (Pingdingshan)<br>Air Bag Yarn Manufacturing Co., Ltd. | 65,604                                       | 112,196          | -                                        | -           |
|                                                                   | 598,512                                      | 600,640          | -                                        | -           |
| <b>Total</b>                                                      | <b>1,228,971</b>                             | <b>1,791,412</b> | <b>-</b>                                 | <b>-</b>    |
| <b>Other receivables</b>                                          |                                              |                  |                                          |             |
| <b>Subsidiaries</b>                                               |                                              |                  |                                          |             |
| Indorama Ventures USA Holdings LP                                 | -                                            | -                | -                                        | 149,876     |
| Indorama Netherlands B.V.                                         | -                                            | -                | 1,102                                    | -           |
| Indorama Ventures Olefins Holding LLC                             | -                                            | -                | 12,540                                   | -           |
| StarPet Inc.                                                      | -                                            | -                | 690                                      | -           |
|                                                                   | -                                            | -                | 14,332                                   | 149,876     |
| <b>Other related parties</b>                                      |                                              |                  |                                          |             |
| Pacific Resources Limited                                         | -                                            | 1,793            | -                                        | -           |
| Cryoviva (Thailand) Limited                                       | 197                                          | 318              | -                                        | -           |
| Indo Rama Synthetics (India) Limited                              | 14,466                                       | 11,361           | -                                        | -           |
| Indorama Eleme Petrochemicals Limited                             | 238                                          | 780              | -                                        | -           |
|                                                                   | <b>14,901</b>                                | <b>14,252</b>    | <b>-</b>                                 | <b>-</b>    |

|                                            | Consolidated<br>financial statements |               | Separate<br>financial statements |                |
|--------------------------------------------|--------------------------------------|---------------|----------------------------------|----------------|
|                                            | 2015                                 | 2014          | 2015                             | 2014           |
|                                            | <i>(in thousand Baht)</i>            |               |                                  |                |
| <b>Joint ventures</b>                      |                                      |               |                                  |                |
| ES FiberVisions (Thailand) Company Limited | 284                                  | 13,463        | -                                | -              |
| ES FiberVisions China Limited              | -                                    | 591           | -                                | -              |
| PT Indorama Petrochemicals                 | 7,116                                | 38,127        | -                                | -              |
|                                            | 7,400                                | 52,181        | -                                | -              |
| <b>Total</b>                               | <b>22,301</b>                        | <b>66,433</b> | <b>14,332</b>                    | <b>149,876</b> |

| <i>Short-term loans to related parties</i>                     | Interest rate        |           | Consolidated<br>financial statements |               | Separate<br>financial statements |                   |
|----------------------------------------------------------------|----------------------|-----------|--------------------------------------|---------------|----------------------------------|-------------------|
|                                                                | 2015                 | 2014      | 2015                                 | 2014          | 2015                             | 2014              |
|                                                                | <i>(% per annum)</i> |           | <i>(in thousand Baht)</i>            |               |                                  |                   |
| <b>Comprising :</b>                                            |                      |           |                                      |               |                                  |                   |
| <b>Short-term loans to related parties</b>                     |                      |           |                                      |               |                                  |                   |
| <b>Subsidiaries</b>                                            |                      |           |                                      |               |                                  |                   |
| Indorama Polymers Public Company Limited                       | 6.00                 | 4.50      | -                                    | -             | 883,924                          | 2,009,971         |
| Asia Pet (Thailand) Limited                                    | -                    | 4.50      | -                                    | -             | -                                | 2,575,350         |
| Indorama Holdings Limited                                      | 6.00                 | 4.50      | -                                    | -             | 307,529                          | 466,729           |
| Indorama Polyester Industries Public Company Limited           | 6.00                 | 4.50      | -                                    | -             | 2,023,750                        | 3,569,150         |
| Indorama Netherlands Cooperatief U.A.                          | 2.88-5.18            | 3.00-3.74 | -                                    | -             | 2,037,932                        | 2,967,495         |
| Indorama Petrochem Limited                                     | 4.50-6.00            | 4.50      | -                                    | -             | 962,000                          | 2,543,000         |
| TPT Petrochemicals Public Company Limited                      | 4.50-6.00            | 4.50      | -                                    | -             | -                                | 2,091,999         |
| Indorama Ventures Global Services Limited                      | 6.00                 | 4.50      | -                                    | -             | 1,672,971                        | 256,800           |
| Indorama Netherlands B.V.                                      | 5.13-5.18            | -         | -                                    | -             | 3,582,950                        | -                 |
| <b>Total</b>                                                   |                      |           | <b>-</b>                             | <b>-</b>      | <b>11,471,056</b>                | <b>16,480,494</b> |
| <b>Joint ventures</b>                                          |                      |           |                                      |               |                                  |                   |
| ES FiberVisions (Suzhou) Co., Ltd.                             | 1.32-2.40            | 1.32-2.40 | 63,155                               | 57,685        | -                                | -                 |
| ES FiberVisions (Thailand) Company Limited                     | 5.38                 | -         | 162,399                              | -             | -                                | -                 |
| ShenMa-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd. | 2.00-2.08            | -         | 23,663                               | -             | -                                | -                 |
| <b>Total</b>                                                   |                      |           | <b>249,217</b>                       | <b>57,685</b> | <b>-</b>                         | <b>-</b>          |

| <i>Short-term loans to related parties</i>                      | <i>Interest rate</i> |             | <i>Consolidated financial statements</i> |               | <i>Separate financial statements</i> |                   |
|-----------------------------------------------------------------|----------------------|-------------|------------------------------------------|---------------|--------------------------------------|-------------------|
|                                                                 | <b>2015</b>          | <b>2014</b> | <b>2015</b>                              | <b>2014</b>   | <b>2015</b>                          | <b>2014</b>       |
|                                                                 | <i>(% per annum)</i> |             | <i>(in thousand Baht)</i>                |               |                                      |                   |
| <b>Interest receivable from related parties</b>                 |                      |             |                                          |               |                                      |                   |
| <b>Subsidiaries</b>                                             |                      |             |                                          |               |                                      |                   |
| Indorama Polymers Public Company Limited                        |                      |             | -                                        | -             | 5,324                                | 19,719            |
| Asia Pet (Thailand) Limited                                     |                      |             | -                                        | -             | -                                    | 36,325            |
| Indorama Holdings Limited                                       |                      |             | -                                        | -             | 36,717                               | 57,148            |
| Indorama Polyester Industries Public Company Limited            |                      |             | -                                        | -             | 62,986                               | 75,966            |
| Indorama Netherlands Cooperatief U.A.                           |                      |             | -                                        | -             | 21,621                               | 81,345            |
| Indorama Petrochem Limited                                      |                      |             | -                                        | -             | 143,815                              | 107,188           |
| TPT Petrochemicals Public Company Limited                       |                      |             | -                                        | -             | 42,922                               | 54,480            |
| Indorama Ventures Global Services Limited                       |                      |             | -                                        | -             | 4,074                                | 1,772             |
| <b>Total</b>                                                    |                      |             | -                                        | -             | <b>317,459</b>                       | <b>433,943</b>    |
| <b>Joint ventures</b>                                           |                      |             |                                          |               |                                      |                   |
| ES FiberVisions (Suzhou) Co., Ltd.                              |                      |             | -                                        | 2,219         | -                                    | -                 |
| ES FiberVisions (Thailand) Company Limited                      |                      |             | 792                                      | -             | -                                    | -                 |
| Shen Ma-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd. |                      |             | 15,552                                   | 15,241        | -                                    | -                 |
| <b>Total</b>                                                    |                      |             | <b>16,344</b>                            | <b>17,460</b> | <b>-</b>                             | <b>-</b>          |
| <b>Total short-term loans to related parties</b>                |                      |             | <b>265,561</b>                           | <b>75,145</b> | <b>11,788,515</b>                    | <b>16,914,437</b> |

| <i>Long-term loans to related parties</i>            | <i>Interest rate</i> |             | <i>Consolidated financial statements</i> |             | <i>Separate financial statements</i> |                   |
|------------------------------------------------------|----------------------|-------------|------------------------------------------|-------------|--------------------------------------|-------------------|
|                                                      | <b>2015</b>          | <b>2014</b> | <b>2015</b>                              | <b>2014</b> | <b>2015</b>                          | <b>2014</b>       |
|                                                      | <i>(% per annum)</i> |             | <i>(in thousand Baht)</i>                |             |                                      |                   |
| <b>Comprising :</b>                                  |                      |             |                                          |             |                                      |                   |
| <b>Long-term loans to related parties</b>            |                      |             |                                          |             |                                      |                   |
| <b>Subsidiaries</b>                                  |                      |             |                                          |             |                                      |                   |
| Indorama Petrochem Limited                           | 4.50-6.20            | 2.08-4.50   | -                                        | -           | 8,582,299                            | 4,824,040         |
| TPT Petrochemicals Public Company Limited            | 4.50-6.20            | 4.50        | -                                        | -           | 3,580,000                            | 2,719,226         |
| Indorama Polymers Public Company Limited             | -                    | 4.50        | -                                        | -           | -                                    | 779,103           |
| Indorama Holdings Limited                            | 6.20                 | 4.50        | -                                        | -           | 2,091,482                            | 4,694,359         |
| Indorama Polyester Industries Public Company Limited | 6.20                 | 4.50        | -                                        | -           | 1,040,000                            | 2,810,000         |
| Indorama Netherlands Cooperatief U.A.                | 2.88-6.20            | 3.00-5.00   | -                                        | -           | 25,115,300                           | 10,312,526        |
| IVL Belgium N.V.                                     | -                    | 2.81        | -                                        | -           | -                                    | 1,190             |
| <b>Total</b>                                         |                      |             | <b>-</b>                                 | <b>-</b>    | <b>40,409,081</b>                    | <b>26,140,444</b> |

| <i>Long-term loans to related parties</i>        | <i>Interest rate</i> |             | <i>Consolidated financial statements</i> |                | <i>Separate financial statements</i> |                   |
|--------------------------------------------------|----------------------|-------------|------------------------------------------|----------------|--------------------------------------|-------------------|
|                                                  | <b>2015</b>          | <b>2014</b> | <b>2015</b>                              | <b>2014</b>    | <b>2015</b>                          | <b>2014</b>       |
|                                                  | <i>(% per annum)</i> |             | <i>(in thousand Baht)</i>                |                |                                      |                   |
| <b>Joint ventures</b>                            |                      |             |                                          |                |                                      |                   |
| ES FiberVisions (Suzhou) Co., Ltd.               | 1.32-2.40            | 1.32-2.40   | 162,870                                  | 140,093        | -                                    | -                 |
| ShenMa-PHP (Pingdingshan)                        |                      |             |                                          |                |                                      |                   |
| Air Bag Yam Manufacturing Co., Ltd.              | -                    | 2.21-3.41   | -                                        | 24,032         | -                                    | -                 |
| <b>Total</b>                                     |                      |             | <b>162,870</b>                           | <b>164,125</b> | <b>-</b>                             | <b>-</b>          |
| <i>Interest receivables from related parties</i> |                      |             |                                          |                |                                      |                   |
| <b>Subsidiary</b>                                |                      |             |                                          |                |                                      |                   |
| IVL Belgium N.V.                                 |                      |             | -                                        | -              | -                                    | 92                |
| <b>Total</b>                                     |                      |             | <b>-</b>                                 | <b>-</b>       | <b>-</b>                             | <b>92</b>         |
| <b>Joint venture</b>                             |                      |             |                                          |                |                                      |                   |
| ES FiberVisions (Suzhou) Co., Ltd.               |                      |             | 2,571                                    | -              | -                                    | -                 |
| <b>Total</b>                                     |                      |             | <b>2,571</b>                             | <b>-</b>       | <b>-</b>                             | <b>-</b>          |
| <b>Total long-term loans to related parties</b>  |                      |             | <b>165,441</b>                           | <b>164,125</b> | <b>40,409,081</b>                    | <b>26,140,536</b> |

| <i>Summary of loans to related parties</i> | <i>Consolidated financial statements</i> |                | <i>Separate financial statements</i> |                   |
|--------------------------------------------|------------------------------------------|----------------|--------------------------------------|-------------------|
|                                            | <b>2015</b>                              | <b>2014</b>    | <b>2015</b>                          | <b>2014</b>       |
|                                            | <i>(in thousand Baht)</i>                |                |                                      |                   |
| Short-term loans                           | 265,561                                  | 75,145         | 11,788,515                           | 16,914,437        |
| Long-term loans                            | 165,441                                  | 164,125        | 40,409,081                           | 26,140,536        |
| <b>Total loans to related parties</b>      | <b>431,002</b>                           | <b>239,270</b> | <b>52,197,596</b>                    | <b>43,054,973</b> |

Movements during the years ended 31 December of loans to related parties, excluding interest receivable from related parties, were as follows:

| <i>Loans to related parties</i> | <i>Consolidated financial statements</i> |               | <i>Separate financial statements</i> |                   |
|---------------------------------|------------------------------------------|---------------|--------------------------------------|-------------------|
|                                 | <b>2015</b>                              | <b>2014</b>   | <b>2015</b>                          | <b>2014</b>       |
|                                 | <i>(in thousand Baht)</i>                |               |                                      |                   |
| <b>Short-term loans:</b>        |                                          |               |                                      |                   |
| <b>Subsidiaries</b>             |                                          |               |                                      |                   |
| At 1 January                    | -                                        | -             | 16,480,494                           | 11,785,735        |
| Increase                        | -                                        | -             | 37,898,861                           | 43,105,948        |
| Decrease                        | -                                        | -             | (43,716,687)                         | (40,213,069)      |
| Reclassification                | -                                        | -             | 808,388                              | 1,801,880         |
| <b>At 31 December</b>           | <b>-</b>                                 | <b>-</b>      | <b>11,471,056</b>                    | <b>16,480,494</b> |
| <b>Joint ventures</b>           |                                          |               |                                      |                   |
| At 1 January                    | 57,685                                   | -             | -                                    | -                 |
| Increase                        | 168,695                                  | 33,324        | -                                    | -                 |
| Decrease                        | (4,286)                                  | -             | -                                    | -                 |
| Reclassification                | 27,123                                   | 24,361        | -                                    | -                 |
| <b>At 31 December</b>           | <b>249,217</b>                           | <b>57,685</b> | <b>-</b>                             | <b>-</b>          |

| <i>Loans to related parties</i> | Consolidated financial statements |                | Separate financial statements |                   |
|---------------------------------|-----------------------------------|----------------|-------------------------------|-------------------|
|                                 | 2015                              | 2014           | 2015                          | 2014              |
|                                 | <i>(in thousand Baht)</i>         |                |                               |                   |
| <b>Total short-term loans</b>   |                                   |                |                               |                   |
| At 1 January                    | 57,685                            | -              | 16,480,494                    | 11,785,735        |
| Increase                        | 168,695                           | 33,324         | 37,898,861                    | 43,105,948        |
| Decrease                        | (4,286)                           | -              | (43,716,687)                  | (40,213,069)      |
| Reclassification                | 27,123                            | 24,361         | 808,388                       | 1,801,880         |
| <b>At 31 December</b>           | <b>249,217</b>                    | <b>57,685</b>  | <b>11,471,056</b>             | <b>16,480,494</b> |
| <b>Long-term loans:</b>         |                                   |                |                               |                   |
| <b>Subsidiaries</b>             |                                   |                |                               |                   |
| At 1 January                    | -                                 | -              | 26,140,444                    | 23,415,645        |
| Increase                        | -                                 | -              | 27,278,461                    | 14,013,941        |
| Decrease                        | -                                 | -              | (12,201,436)                  | (9,487,262)       |
| Reclassification                | -                                 | -              | (808,388)                     | (1,801,880)       |
| <b>At 31 December</b>           | <b>-</b>                          | <b>-</b>       | <b>40,409,081</b>             | <b>26,140,444</b> |
| <b>Long-term loans:</b>         |                                   |                |                               |                   |
| <b>Joint ventures</b>           |                                   |                |                               |                   |
| At 1 January                    | 164,125                           | 98,441         | -                             | -                 |
| Increase                        | 45,981                            | 249,041        | -                             | -                 |
| Decrease                        | (20,113)                          | -              | -                             | -                 |
| Reclassification                | (27,123)                          | (24,361)       | -                             | -                 |
| Transfer                        | -                                 | (158,996)      | -                             | -                 |
| <b>At 31 December</b>           | <b>162,870</b>                    | <b>164,125</b> | <b>-</b>                      | <b>-</b>          |
| <b>Total long-term loans</b>    |                                   |                |                               |                   |
| At 1 January                    | 164,125                           | 98,441         | 26,140,444                    | 23,415,645        |
| Increase                        | 45,981                            | 249,041        | 27,278,461                    | 14,013,941        |
| Decrease                        | (20,113)                          | -              | (12,201,436)                  | (9,487,262)       |
| Reclassification                | (27,123)                          | (24,361)       | (808,388)                     | (1,801,880)       |
| Transfer                        | -                                 | (158,996)      | -                             | -                 |
| <b>At 31 December</b>           | <b>162,870</b>                    | <b>164,125</b> | <b>40,409,081</b>             | <b>26,140,444</b> |

|                                                                 | <i>Note</i> | Consolidated financial statements |                | Separate financial statements |          |
|-----------------------------------------------------------------|-------------|-----------------------------------|----------------|-------------------------------|----------|
|                                                                 |             | 2015                              | 2014           | 2015                          | 2014     |
|                                                                 |             | <i>(in thousand Baht)</i>         |                |                               |          |
| <b>Advance for share subscription</b>                           |             |                                   |                |                               |          |
| <b>Subsidiary</b>                                               |             |                                   |                |                               |          |
| IVL Belgium N.V.                                                |             | -                                 | -              | 1,918                         | -        |
|                                                                 |             | -                                 | -              | 1,918                         | -        |
| <b>Joint venture</b>                                            |             |                                   |                |                               |          |
| PT Indorama Petrochemicals                                      |             | 992,456                           | 396,515        | -                             | -        |
| Allowance for impairment loss on advance for share subscription | 13          | (159,754)                         | -              | -                             | -        |
| <b>Net</b>                                                      |             | <b>832,702</b>                    | <b>396,515</b> | <b>-</b>                      | <b>-</b> |
|                                                                 |             | <b>832,702</b>                    | <b>396,515</b> | <b>1,918</b>                  | <b>-</b> |

|                                                  | Consolidated financial statements |                | Separate financial statements |              |
|--------------------------------------------------|-----------------------------------|----------------|-------------------------------|--------------|
|                                                  | 2015                              | 2014           | 2015                          | 2014         |
|                                                  | (in thousand Baht)                |                |                               |              |
| <b>Trade accounts payable to related parties</b> |                                   |                |                               |              |
| <b>Other related party</b>                       |                                   |                |                               |              |
| PT Indorama Synthetics TBK                       | 44,180                            | 84,357         | -                             | -            |
|                                                  | 44,180                            | 84,357         | -                             | -            |
| <b>Joint ventures</b>                            |                                   |                |                               |              |
| PT Indorama Petrochemicals                       | 98,498                            | 33,624         | -                             | -            |
| TTI GmbH                                         | 1,513                             | 1,536          | -                             | -            |
| Indorama Ventures EcoMex,<br>S. de R.L. de C.V.  | 16,587                            | -              | -                             | -            |
|                                                  | 116,598                           | 35,160         | -                             | -            |
| <b>Total</b>                                     | <b>160,778</b>                    | <b>119,517</b> | <b>-</b>                      | <b>-</b>     |
| <b>Other payable to related parties</b>          |                                   |                |                               |              |
| <b>Subsidiaries</b>                              |                                   |                |                               |              |
| Trevira Holdings GmbH                            | -                                 | -              | 1,687                         | 1,708        |
| IVL Singapore PTE Limited                        | -                                 | -              | 22,259                        | -            |
|                                                  | -                                 | -              | 23,946                        | 1,708        |
| <b>Other related parties</b>                     |                                   |                |                               |              |
| Lohia Global Holdings Limited                    | 31,567                            | 23,861         | -                             | -            |
| PT Indorama Synthetics TBK                       | 18,903                            | 21,432         | -                             | -            |
| Indo Rama Synthetics (India) Limited             | 405                               | 21,065         | -                             | -            |
| Indorama Eleme Petrochemicals Limited            | 2,107                             | 1,265          | -                             | -            |
| Pacific Resources Limited                        | 1,793                             | -              | -                             | -            |
| Vega Aviation Limited                            | 2,256                             | -              | -                             | -            |
|                                                  | 57,031                            | 67,623         | -                             | -            |
| <b>Joint venture</b>                             |                                   |                |                               |              |
| PT Indorama Petrochemicals                       | 281                               | -              | -                             | -            |
|                                                  | 281                               | -              | -                             | -            |
| <b>Total</b>                                     | <b>57,312</b>                     | <b>67,623</b>  | <b>23,946</b>                 | <b>1,708</b> |

#### Significant agreement with related parties

##### Guarantee Agreements

The Company entered into Guarantee Agreements with its related parties to provide the corporate guarantee to the third parties for the term loan of agreed amount. Under the term of the agreements, those related parties agree to pay guarantee fees as stipulated in the agreements. The agreements expire when the loan has been fully paid by those related parties to third parties.

## 7 Cash and cash equivalents

|                                      | Consolidated financial statements |                  | Separate financial statements |                  |
|--------------------------------------|-----------------------------------|------------------|-------------------------------|------------------|
|                                      | 2015                              | 2014             | 2015                          | 2014             |
|                                      | <i>(in thousand Baht)</i>         |                  |                               |                  |
| Cash on hand                         | 7,109                             | 8,023            | -                             | -                |
| Cash at bank - current accounts      | 2,635,577                         | 1,872,192        | 446                           | 10,660           |
| Cash at bank - savings accounts      | 327,547                           | 202,130          | 6,978                         | 76,389           |
| Cash at bank - fixed accounts        | 81,439                            | 1,288            | -                             | -                |
| Highly liquid short-term investments | 180,804                           | 3,255,450        | -                             | 2,800,000        |
| <b>Total</b>                         | <b>3,232,476</b>                  | <b>5,339,083</b> | <b>7,424</b>                  | <b>2,887,049</b> |

The currency denomination of cash and cash equivalents as at 31 December was as follows:

|                             | Consolidated financial statements |                  | Separate financial statements |                  |
|-----------------------------|-----------------------------------|------------------|-------------------------------|------------------|
|                             | 2015                              | 2014             | 2015                          | 2014             |
|                             | <i>(in thousand Baht)</i>         |                  |                               |                  |
| United States Dollars (USD) | 1,624,638                         | 1,651,639        | -                             | -                |
| Euro (EUR)                  | 377,405                           | 380,509          | -                             | -                |
| Indian Rupee (INR)          | 307,151                           | -                | -                             | -                |
| Chinese Yuan (CNY)          | 168,737                           | 71,215           | -                             | -                |
| Nigerian Naira (NGN)        | 167,016                           | 18,946           | -                             | -                |
| Thai Baht (THB)             | 120,503                           | 2,982,550        | 7,424                         | 2,887,049        |
| Polish Zloty (PLN)          | 111,668                           | 16,570           | -                             | -                |
| Danish Krone (DKK)          | 105,497                           | 84,868           | -                             | -                |
| Indonesian Rupiah (IDR)     | 84,061                            | 32,825           | -                             | -                |
| Mexican Peso (MXN)          | 83,374                            | 15,868           | -                             | -                |
| Pounds Sterling (GBP)       | 46,768                            | 65,962           | -                             | -                |
| Myanmar Kyat (MMK)          | 16,519                            | -                | -                             | -                |
| Japanese Yen (JPY)          | 7,868                             | 46               | -                             | -                |
| Philippines Peso (PHP)      | 7,350                             | 6,102            | -                             | -                |
| Ghanaian Cedi (GHC)         | 3,413                             | 7,663            | -                             | -                |
| Swiss Franc (CHF)           | 168                               | 371              | -                             | -                |
| Turkish Lira (TRY)          | 151                               | 3,202            | -                             | -                |
| Singapore Dollars (SGD)     | 97                                | 10               | -                             | -                |
| Lithuanian Litas (LTL)      | 92                                | 737              | -                             | -                |
| <b>Total</b>                | <b>3,232,476</b>                  | <b>5,339,083</b> | <b>7,424</b>                  | <b>2,887,049</b> |

## 8 Other investments

|                                                        | Consolidated financial statements |                  | Separate financial statements |                  |
|--------------------------------------------------------|-----------------------------------|------------------|-------------------------------|------------------|
|                                                        | 2015                              | 2014             | 2015                          | 2014             |
| <i>(in thousand Baht)</i>                              |                                   |                  |                               |                  |
| <b>Current investments</b>                             |                                   |                  |                               |                  |
| Restricted cash at bank to secure letter of credit     | 98,755                            | 80,499           | -                             | -                |
| Short-term deposits at financial institutions          | 5,768                             | 5,002,069        | -                             | 5,000,000        |
| Short-term debentures issued by financial institutions | 347,282                           | 99,759           | -                             | -                |
|                                                        | <b>451,805</b>                    | <b>5,182,327</b> | <b>-</b>                      | <b>5,000,000</b> |
| <b>Other long-term investments</b>                     |                                   |                  |                               |                  |
| Restricted cash at bank against bank facilities        | 24,036                            | -                | -                             | -                |
| Long-term debentures issued by financial institutions  | 70,000                            | 70,000           | 70,000                        | 70,000           |
| Other                                                  | 25,569                            | 34,719           | -                             | -                |
|                                                        | <b>119,605</b>                    | <b>104,719</b>   | <b>70,000</b>                 | <b>70,000</b>    |
| <b>Total</b>                                           | <b>571,410</b>                    | <b>5,287,046</b> | <b>70,000</b>                 | <b>5,070,000</b> |

The currency denomination of other investments as at 31 December was as follows:

|                           | Consolidated financial statements |                  | Separate financial statements |                  |
|---------------------------|-----------------------------------|------------------|-------------------------------|------------------|
|                           | 2015                              | 2014             | 2015                          | 2014             |
| <i>(in thousand Baht)</i> |                                   |                  |                               |                  |
| INR                       | 204,316                           | -                | -                             | -                |
| USD                       | 172,420                           | 88,896           | -                             | 3,382            |
| CNY                       | 98,755                            | 80,499           | -                             | -                |
| THB                       | 70,000                            | 5,067,603        | 70,000                        | 5,045,181        |
| EUR                       | 25,569                            | 49,957           | -                             | 21,437           |
| PLN                       | 350                               | 91               | -                             | -                |
| <b>Total</b>              | <b>571,410</b>                    | <b>5,287,046</b> | <b>70,000</b>                 | <b>5,070,000</b> |

As at 31 December 2015, cash at bank amounting to CNY 17.8 million or equivalent to Baht 98.8 million (2014: CNY 15.2 million or equivalent to Baht 80.5 million) was restricted to secure letters of credit.

As at 31 December 2015, cash at bank amounting to INR 44.3 million or equivalent to Baht 24.0 million (2014: nil) was restricted against bank facilities.

## 9 Trade accounts receivable

|                                                                                 |      | Consolidated financial statements |                   | Separate financial statements |          |
|---------------------------------------------------------------------------------|------|-----------------------------------|-------------------|-------------------------------|----------|
|                                                                                 | Note | 2015                              | 2014              | 2015                          | 2014     |
|                                                                                 |      | (in thousand Baht)                |                   |                               |          |
| Related parties                                                                 | 6    | 1,228,971                         | 1,791,412         | -                             | -        |
| Other parties                                                                   |      | 26,405,691                        | 24,535,480        | -                             | -        |
| <b>Total</b>                                                                    |      | <b>27,634,662</b>                 | <b>26,326,892</b> | <b>-</b>                      | <b>-</b> |
| Less allowance for doubtful accounts                                            |      | (135,090)                         | (123,905)         | -                             | -        |
| <b>Net</b>                                                                      |      | <b>27,499,572</b>                 | <b>26,202,987</b> | <b>-</b>                      | <b>-</b> |
| Write-off allowance for doubtful accounts                                       |      | 28,000                            | 70,475            | -                             | -        |
| (Reversal of) provision for bad and doubtful debts expense during the year, net |      | 19,896                            | (7,500)           | -                             | -        |

Aging analyses for trade accounts receivable were as follows:

|                                      | Consolidated financial statements |                   | Separate financial statements |      |
|--------------------------------------|-----------------------------------|-------------------|-------------------------------|------|
|                                      | 2015                              | 2014              | 2015                          | 2014 |
|                                      | <i>(in thousand Baht)</i>         |                   |                               |      |
| <b>Related parties</b>               |                                   |                   |                               |      |
| Within credit terms                  | 664,310                           | 1,682,171         | -                             | -    |
| Overdue:                             | 564,661                           | 108,272           | -                             | -    |
| Less than 3 months                   | -                                 | 969               | -                             | -    |
| 3-6 months                           | 1,228,971                         | 1,791,412         | -                             | -    |
| <b>Other parties</b>                 |                                   |                   |                               |      |
| Within credit terms                  | 21,915,516                        | 21,154,533        | -                             | -    |
| Overdue:                             |                                   |                   |                               |      |
| Less than 3 months                   | 3,350,232                         | 3,039,392         | -                             | -    |
| 3-6 months                           | 740,176                           | 148,267           | -                             | -    |
| 6-12 months                          | 235,651                           | 51,537            | -                             | -    |
| Over 12 months                       | 164,116                           | 141,751           | -                             | -    |
|                                      | <b>26,405,691</b>                 | <b>24,535,480</b> | -                             | -    |
| Less allowance for doubtful accounts | (135,090)                         | (123,905)         | -                             | -    |
|                                      | <b>26,270,601</b>                 | <b>24,411,575</b> | -                             | -    |
| <b>Net</b>                           | <b>27,499,572</b>                 | <b>26,202,987</b> | -                             | -    |

The normal credit term granted by the Group ranges from 7 days to 240 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

|              | Consolidated financial statements |                   | Separate financial statements |      |
|--------------|-----------------------------------|-------------------|-------------------------------|------|
|              | 2015                              | 2014              | 2015                          | 2014 |
|              | <i>(in thousand Baht)</i>         |                   |                               |      |
| USD          | 18,463,708                        | 17,753,120        | -                             | -    |
| EUR          | 2,991,658                         | 3,633,052         | -                             | -    |
| THB          | 2,202,466                         | 2,134,342         | -                             | -    |
| CNY          | 1,060,391                         | 1,089,586         | -                             | -    |
| IDR          | 1,059,578                         | 98,707            | -                             | -    |
| GBP          | 729,583                           | 612,227           | -                             | -    |
| TRY          | 342,740                           | 314,165           | -                             | -    |
| MXN          | 265,696                           | 81,517            | -                             | -    |
| NGN          | 150,168                           | 273,278           | -                             | -    |
| PLN          | 87,056                            | 15,195            | -                             | -    |
| INR          | 73,405                            | -                 | -                             | -    |
| PHP          | 73,123                            | 117,598           | -                             | -    |
| LTL          | -                                 | 75,796            | -                             | -    |
| JPY          | -                                 | 4,404             | -                             | -    |
| <b>Total</b> | <b>27,499,572</b>                 | <b>26,202,987</b> | -                             | -    |

Trade accounts receivable with a carrying amount of Baht 11,193 million (2014: Baht 9,891 million) have been pledged as collateral to secure loans from financial institutions.

## 10 Inventories

|                                                                                                                | Consolidated financial statements |                    | Separate financial statements |          |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------|-------------------------------|----------|
|                                                                                                                | 2015                              | 2014               | 2015                          | 2014     |
|                                                                                                                | <i>(in thousand Baht)</i>         |                    |                               |          |
| Finished goods                                                                                                 | 17,191,769                        | 16,515,323         | -                             | -        |
| Work in process                                                                                                | 1,498,458                         | 1,599,470          | -                             | -        |
| Raw materials                                                                                                  | 8,612,449                         | 7,699,146          | -                             | -        |
| Trading materials                                                                                              | 55,550                            | 32,027             | -                             | -        |
| Spare parts and supplies                                                                                       | 4,026,516                         | 2,961,901          | -                             | -        |
| Goods in transit                                                                                               | 1,145,685                         | 917,774            | -                             | -        |
|                                                                                                                | 32,530,427                        | 29,725,641         | -                             | -        |
| Less allowance for decline in value                                                                            | (744,794)                         | (584,582)          | -                             | -        |
| <b>Net</b>                                                                                                     | <b>31,785,633</b>                 | <b>29,141,059</b>  | <b>-</b>                      | <b>-</b> |
| Carrying value of inventories subject to retention of title clauses or otherwise pledged to secure liabilities | <b>11,612,763</b>                 | <b>11,081,903</b>  | <b>-</b>                      | <b>-</b> |
| Inventories recognised as an expense in 'cost of sale of goods':                                               |                                   |                    |                               |          |
| - Cost                                                                                                         | 164,696,953                       | 182,303,850        | -                             | -        |
| - Write-down to net realisable value                                                                           | 353,614                           | 300,931            | -                             | -        |
| - Reversal of write-down                                                                                       | (313,482)                         | (131,100)          | -                             | -        |
| <b>Net total</b>                                                                                               | <b>164,737,085</b>                | <b>182,473,681</b> | <b>-</b>                      | <b>-</b> |

## 11 Other current assets

|                                                | Consolidated financial statements |                  | Separate financial statements |                |
|------------------------------------------------|-----------------------------------|------------------|-------------------------------|----------------|
|                                                | 2015                              | 2014             | 2015                          | 2014           |
|                                                | <i>(in thousand Baht)</i>         |                  |                               |                |
| Value added tax receivable                     | 3,200,110                         | 2,550,683        | -                             | -              |
| Other receivables                              | 889,832                           | 639,887          | 14,332                        | 149,876        |
| Advance payments                               | 637,834                           | 401,196          | 2,063                         | 2,063          |
| Advance tax payments and withholding tax       | 608,197                           | 562,657          | 28,799                        | 29,074         |
| Receivable from seller in business combination | 607,140                           | 648,320          | -                             | -              |
| Prepaid expenses                               | 583,356                           | 471,641          | -                             | -              |
| Material price adjustment receivable           | 328,796                           | 404,596          | -                             | -              |
| Insurance claims receivable                    | 7,187                             | 3,842            | -                             | -              |
| Others                                         | 450,702                           | 556,768          | 14,541                        | 30,154         |
| <b>Total</b>                                   | <b>7,313,154</b>                  | <b>6,239,590</b> | <b>59,735</b>                 | <b>211,167</b> |

Receivable from seller in business combination relates to a tax liability, which was recorded as part of income tax payable as at 31 December 2015 and 2014, for which IVL can claim from Arteva Latin America B.V. as per the sale and purchase agreement.

## 12 Investments in subsidiaries and other equity security

|                        | Consolidated financial statements |          | Separate financial statements |                   |
|------------------------|-----------------------------------|----------|-------------------------------|-------------------|
|                        | 2015                              | 2014     | 2015                          | 2014              |
|                        | <i>(in thousand Baht)</i>         |          |                               |                   |
| At 1 January           | -                                 | -        | 42,141,073                    | 40,907,068        |
| Additional investments | -                                 | -        | 4,705,826                     | 1,234,005         |
| <b>At 31 December</b>  | <b>-</b>                          | <b>-</b> | <b>46,846,899</b>             | <b>42,141,073</b> |

Investments in subsidiaries and other equity security as at 31 December 2015 and 2014, and dividend income from those investments for the years then ended were as follows:

| Consolidated financial statements                    |                                                   |                    |        |            |            |            |            |                   |      |                 |      |                 |            |           |
|------------------------------------------------------|---------------------------------------------------|--------------------|--------|------------|------------|------------|------------|-------------------|------|-----------------|------|-----------------|------------|-----------|
| Type of business                                     | Effective ownership interest                      | (in thousand Baht) |        |            |            |            |            |                   |      |                 |      |                 |            |           |
|                                                      |                                                   | Paid-up capital    |        | Cost       |            | Impairment |            | Carrying amount   |      | Dividend income |      |                 |            |           |
|                                                      |                                                   | 2015               | 2014   | 2015       | 2014       | 2015       | 2014       | 2015              | 2014 | 2015            | 2014 | 2015            | 2014       |           |
| Other equity security                                |                                                   |                    |        |            |            |            |            |                   |      |                 |      |                 |            |           |
| Tuntex Textile (Thailand) Company Limited            | Manufacture of polyester fibers and yarns         | 4.63               | 4.63   | 430,000    | 200,000    | 200,000    | (200,000)  | (200,000)         | -    | -               | -    | -               | -          | -         |
| Total                                                |                                                   |                    |        |            | 200,000    | 200,000    | (200,000)  | (200,000)         | -    | -               | -    | -               | -          | -         |
| Separate financial statements                        |                                                   |                    |        |            |            |            |            |                   |      |                 |      |                 |            |           |
| Type of business                                     | Effective ownership interest                      | (in thousand Baht) |        |            |            |            |            |                   |      |                 |      |                 |            |           |
|                                                      |                                                   | Paid-up capital    |        | Cost       |            | Impairment |            | Return of capital |      | At cost-net     |      | Dividend income |            |           |
|                                                      |                                                   | 2015               | 2014   | 2015       | 2014       | 2015       | 2014       | 2015              | 2014 | 2015            | 2014 | 2015            | 2014       |           |
| Subsidiaries                                         |                                                   |                    |        |            |            |            |            |                   |      |                 |      |                 |            |           |
| Indorama Petrochem Limited                           | Manufacture of PTA                                | 100.00             | 100.00 | 6,146,167  | 4,727,820  | 3,944,151  | 2,525,805  | -                 | -    | -               | -    | 3,944,151       | 2,525,805  | -         |
| Indorama Holdings Limited                            | Manufacture of worsted wool yarns                 | 99.81              | 99.81  | 774,468    | 774,468    | 2,001,419  | 2,001,419  | -                 | -    | -               | -    | 2,001,419       | 2,001,419  | 881,255   |
| Indorama Polymers Public Company Limited             | Manufacture of SSP Chips and PET                  | 72.60              | 72.60  | 1,382,198  | 1,382,198  | 7,219,741  | 7,219,741  | -                 | -    | -               | -    | 7,219,741       | 7,219,741  | 501,769   |
| Indorama Polyester Industries Public Company Limited | Manufacture of polyester fibers and yarns and PET | 64.94              | 64.94  | 2,202,850  | 2,202,850  | 1,473,995  | 1,473,995  | -                 | -    | -               | -    | 1,473,995       | 1,473,995  | -         |
| TPT Petrochemicals Public Company Limited            | Manufacture of PTA                                | 99.97              | 99.97  | 2,955,000  | 2,955,000  | 5,182,189  | 5,182,189  | -                 | -    | -               | -    | 5,182,189       | 5,182,189  | -         |
| IVL Belgium N.V.                                     | Holding company                                   | 100.00             | 100.00 | 121,630    | 121,630    | 121,630    | 121,630    | -                 | -    | -               | -    | 121,630         | 121,630    | -         |
| Indo Polymers Mauritius Limited                      | Holding company                                   | 100.00             | 100.00 | 26,883,774 | 23,596,294 | 26,883,774 | 23,596,294 | -                 | -    | -               | -    | 26,883,774      | 23,596,294 | 525,830   |
| Indorama Ventures Global Services Limited            | Regional operating headquarters                   | 100.00             | 100.00 | 20,000     | 20,000     | 20,000     | 20,000     | -                 | -    | -               | -    | 20,000          | 20,000     | 1,219,999 |
| Total                                                |                                                   |                    |        |            |            | 46,846,899 | 42,141,073 | -                 | -    | -               | -    | 46,846,899      | 42,141,073 | 3,128,853 |
|                                                      |                                                   |                    |        |            |            |            |            |                   |      |                 |      |                 |            | 2,622,699 |

None of the Group's subsidiaries or other equity security are publicly listed and consequently they do not have published price quotations.

During 2015, Indo Polymers Mauritius Limited ("IPML") increased its share capital from USD 774.8 million (Baht 23,596.3 million) to USD 867.2 million (Baht 26,883.8 million) for which the Company subscribed to the entire increased capital.

During 2015, Indorama Petrochem Limited ("IRPTA") increased its share capital from Baht 4,727.8 million to Baht 6,146.2 million for which the Company subscribed to the entire increased capital.

### 13 Investments in joint ventures

|                                       | Consolidated financial statements |                  | Separate financial statements |          |
|---------------------------------------|-----------------------------------|------------------|-------------------------------|----------|
|                                       | 2015                              | 2014             | 2015                          | 2014     |
|                                       | <i>(in thousand Baht)</i>         |                  |                               |          |
| At 1 January                          | 1,941,863                         | 2,887,471        | -                             | -        |
| Acquisitions                          | -                                 | 196,405          | -                             | -        |
| Additional investments                | 161,842                           | 432,008          | -                             | -        |
| Share of net losses of joint ventures | (242,165)                         | (1,356,055)      | -                             | -        |
| Allowance for impairment              | -                                 | (146,671)        | -                             | -        |
| Other comprehensive income            | 958                               | -                | -                             | -        |
| Effect of movements in exchange rates | 99,894                            | (71,295)         | -                             | -        |
| <b>At 31 December</b>                 | <b>1,962,392</b>                  | <b>1,941,863</b> | <b>-</b>                      | <b>-</b> |

Investments in joint ventures as at 31 December 2015 and 2014 were as follows:

| Consolidated financial statements                                                                                                                                                   |                              |       |                 |           |           |           |           |           |            |           |                                      |          |                          |           |                                                 |             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------|-----------------|-----------|-----------|-----------|-----------|-----------|------------|-----------|--------------------------------------|----------|--------------------------|-----------|-------------------------------------------------|-------------|
| Type of business                                                                                                                                                                    | Effective ownership interest |       | Paid-up capital |           | Cost      |           | Equity    |           | Impairment |           | Effect of movements in exchange rate |          | Carrying value at equity |           | Share of net profits (losses) of joint ventures |             |
|                                                                                                                                                                                     | 2015                         | 2014  | 2015            | 2014      | 2015      | 2014      | 2015      | 2014      | 2015       | 2014      | 2015                                 | 2014     | 2015                     | 2014      | 2015                                            | 2014        |
|                                                                                                                                                                                     | (in thousand Baht)           |       |                 |           |           |           |           |           |            |           |                                      |          |                          |           |                                                 |             |
| Joint ventures                                                                                                                                                                      |                              |       |                 |           |           |           |           |           |            |           |                                      |          |                          |           |                                                 |             |
| UAB Ottana Polimeri Europe<br>PT Indorama Petrochemicals<br>ES FiberVisions<br>ES FiberVisions (Suzhou) Co., Ltd.<br>ShenMa-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd. | 50.00                        | 50.00 | 242,460         | 242,460   | 121,230   | 121,230   | 178,488   | 277,878   | (146,671)  | (146,671) | (2,983)                              | (50,994) | 28,834                   | 80,213    | (48,396)                                        | (793,555)   |
|                                                                                                                                                                                     | 43.16                        | 43.00 | 4,532,869       | 4,532,869 | 1,463,186 | 1,463,186 | 12,965    | 324,378   | -          | -         | (12,965)                             | (58,825) | -                        | 265,553   | (261,638)                                       | (592,928)   |
|                                                                                                                                                                                     | 50.00                        | 50.00 | 603,959         | 603,959   | 694,326   | 694,326   | 840,570   | 771,003   | -          | -         | 74,794                               | 9,751    | 915,364                  | 780,754   | 59,816                                          | 53,048      |
|                                                                                                                                                                                     | 50.00                        | 50.00 | 369,946         | 369,946   | 182,383   | 182,383   | 168,657   | 143,381   | -          | -         | 8,508                                | 1,554    | 177,165                  | 144,935   | 23,722                                          | (37,395)    |
|                                                                                                                                                                                     | 39.20                        | 39.20 | 796,144         | 796,144   | 191,864   | 191,864   | 220,744   | 192,522   | -          | -         | 12,429                               | 35,050   | 233,173                  | 227,572   | (6,828)                                         | 658         |
| PHP-ShenMa Air Bag Yarn Marketing (Shanghai) Co., Ltd.                                                                                                                              | 40.80                        | 40.80 | 9,038           | 9,038     | 152,611   | 152,611   | 178,458   | 166,953   | -          | -         | 483                                  | (7,475)  | 178,941                  | 159,478   | 18,980                                          | 14,342      |
|                                                                                                                                                                                     | 40.00                        | 40.00 | 1,119           | 1,119     | 10,926    | 10,926    | 7,190     | 10,702    | -          | -         | (235)                                | (1,101)  | 6,955                    | 9,601     | (2,411)                                         | (225)       |
| Indorama Ventures EcoMex, S. de R.L. de C.V.                                                                                                                                        | 50.00                        | 50.00 | 410,000         | 102,500   | 205,000   | 51,250    | 203,100   | 51,250    | -          | -         | -                                    | -        | 203,100                  | 51,250    | (1,900)                                         | -           |
|                                                                                                                                                                                     | 51.00                        | 51.00 | 430,883         | 7         | 221,759   | 221,759   | 198,726   | 221,759   | -          | -         | 19,849                               | 745      | 218,575                  | 222,504   | (23,778)                                        | -           |
| Indorama Ventures EcoMex Services, S. de R.L. de C.V.                                                                                                                               | 51.00                        | 51.00 | 7               | 7         | 3         | 3         | 271       | 3         | -          | -         | 14                                   | -        | 285                      | 3         | 268                                             | -           |
| Total                                                                                                                                                                               |                              |       |                 |           | 3,251,380 | 3,089,538 | 2,009,169 | 2,159,829 | (146,671)  | (146,671) | 99,894                               | (71,295) | 1,962,392                | 1,941,863 | (242,165)                                       | (1,356,055) |

During 2014, due to the business environment prevailing in Italy, the plant of Ottana Polimeri S.R.L had been running at substantially lower utilisation. The management of IVL Belgium N.V. ("IVLB") believed that the value of investment in UAB Ottana Polimeri Europe ("UAB OPE") might have been impaired and prepared discounted cash flow projections ("DCF") to determine the value in use of investment in UAB OPE. Based on the result of the assessment and management judgement, the Group recorded impairment loss on investment in UAB OPE of Baht 146.7 million in the consolidated statement of income for the year ended 31 December 2014. As at 31 December 2015, the management of IVLB re-assessed the recoverable amount of investment in UAB OPE based on the fair value less cost of disposal provided by the independent appraiser. Based on the result of the assessment and valuation in independent appraisal report, there has been no change in the amount of allowance for impairment loss on investment in UAB OPE since the date of the last assessment.

Indorama Netherlands B.V. has a call option, which is exercisable during the period from 1 January 2014 to 31 December 2016, to acquire 42% of shares of PT Indorama Petrochemicals ("PTIP") from PT Indorama Synthetics TBK ("PTIRS"), a shareholder holding 43.16% of PTIP and a related party of IVL.

During 2015, the Group purchased additional shares of PTIP for a cash consideration of USD 0.3 million (Baht 8.1 million) bringing the Group's shareholding in PTIP to 43.16% as at 31 December 2015.

The Group has not recognised losses relating to the investment in PT Indorama Petrochemicals where its share of losses exceeds the carrying amount of such investment as at 31 December 2015 as the Group has no obligation in respect of these losses. Nevertheless, the Group's cumulative share of unrecognised losses amounting to Baht 154.2 million (2014: nil), which represented the Group's share of the current year's losses, was recorded as allowance for impairment loss on advance for share subscription (see Note 6).

During 2015, ES Fiber Visions (Thailand) Company Limited increased its share capital from Baht 102.5 million to Baht 410.0 million for which the Group subscribed to the 50% increased in its investment portion of Baht 153.75 million.

ES FiberVisions group consists of ES FiberVisions LP, ES FiberVisions, Inc., ES FiberVisions Holdings ApS, ES FiberVisions ApS, ES FiberVisions Hong Kong Limited, ES FiberVisions China Limited, and ES FiberVisions Company Limited.

None of the Group's joint ventures are publicly listed and consequently do not have published price quotations.

The following table summarises the financial information of the significant joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

|                                                                                   | PTIP               | ES FiberVisions  |
|-----------------------------------------------------------------------------------|--------------------|------------------|
|                                                                                   | 2015               |                  |
|                                                                                   | (in thousand Baht) |                  |
| Revenue                                                                           | 8,292,273          | 7,830,516        |
| Profit (loss) from operations (a)                                                 | (963,418)          | 119,632          |
| Other comprehensive income                                                        | 2,301              | -                |
| <b>Total comprehensive income</b>                                                 | <b>(961,117)</b>   | <b>119,632</b>   |
| Current assets (b)                                                                | 2,171,569          | 2,083,231        |
| Non-current assets                                                                | 9,414,085          | 1,382,384        |
| Current liabilities (c)                                                           | 3,442,398          | 1,599,832        |
| Non-current liabilities (d)                                                       | 8,386,489          | 35,073           |
| <b>Net assets</b>                                                                 | <b>(243,233)</b>   | <b>1,830,710</b> |
| Group's interest in net assets of investee at 1 January                           | 265,553            | 780,754          |
| Total comprehensive income attributable to the Group                              | (260,680)          | 59,816           |
| Additional investment                                                             | 8,092              | -                |
| Group's interest in net assets of investee at end of year                         | 12,965             | 840,570          |
| Effect of movements in exchange rate                                              | (12,965)           | 74,794           |
| <b>Carrying amount of interest in investee at 31 December</b>                     | <b>-</b>           | <b>915,364</b>   |
| Remark:                                                                           |                    |                  |
| a Includes:                                                                       |                    |                  |
| - depreciation and amortisation                                                   | 316,868            | 3,025            |
| - interest expense                                                                | 217,211            | 7,752            |
| - income tax expense (benefit)                                                    | (3,159)            | 45,752           |
| b Includes cash and cash equivalents                                              | 128,280            | 267,391          |
| c Includes current financial liabilities (excluding trade and other payables)     | 774,612            | -                |
| d Includes non-current financial liabilities (excluding trade and other payables) | 6,154,257          | -                |

#### *Immaterial joint ventures*

The following is summarised financial information for the Group's interest in immaterial joint ventures based on the amounts reported in the Group's consolidated financial statements:

|                                                | Other individually immaterial joint ventures |
|------------------------------------------------|----------------------------------------------|
|                                                | 2015                                         |
|                                                | (in thousand Baht)                           |
| Carrying amount of interests in joint ventures | 1,047,028                                    |
| Group's share of:                              |                                              |
| - Loss from continuing operations, net         | (40,343)                                     |
| - Other comprehensive income                   | -                                            |
| - Total comprehensive income                   | (40,343)                                     |

## 14 Non-controlling interest

The following table summaries the information relating to each of the Group's subsidiaries that have a material non-controlling interest, before any intra-group eliminations:

|                                                                                         | 31 December 2015                        |                                               |
|-----------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------------|
|                                                                                         | PHP Fibers GmbH<br>and its subsidiaries | Trevira Holdings GmbH and<br>its subsidiaries |
|                                                                                         | <i>(in thousand Baht)</i>               |                                               |
| Non-controlling interest percentage                                                     | 20.00%                                  | 25.00%                                        |
| Current assets                                                                          | 3,291,907                               | 1,993,721                                     |
| Non-current assets                                                                      | 928,115                                 | 1,190,144                                     |
| Current liabilities                                                                     | 1,049,012                               | 1,239,725                                     |
| Non-current liabilities                                                                 | 1,390,849                               | 364,377                                       |
| <b>Net assets</b>                                                                       | <b>1,780,161</b>                        | <b>1,579,763</b>                              |
| Carrying amount of non-controlling interest                                             | 356,032                                 | 394,941                                       |
| Revenue                                                                                 | 9,339,887                               | 9,647,612                                     |
| Profit                                                                                  | 145,022                                 | 532,407                                       |
| Other comprehensive income                                                              | 28,922                                  | -                                             |
| <b>Total comprehensive income</b>                                                       | <b>173,944</b>                          | <b>532,407</b>                                |
| Profit allocated to non-controlling interest                                            | 29,004                                  | 133,102                                       |
| Other comprehensive income allocated to non-controlling interest                        | 5,784                                   | -                                             |
| Cash flows from operating activities                                                    | 289,919                                 | 788,949                                       |
| Cash flows used in investing activities                                                 | (445,402)                               | (208,836)                                     |
| Cash flows used in financing activities<br>(dividends to non-controlling interest: nil) | (52,303)                                | (611,913)                                     |
| <b>Net decrease in cash and cash equivalents</b>                                        | <b>(207,786)</b>                        | <b>(31,800)</b>                               |

## 15 Property, plant and equipment

|                                                          | Consolidated financial statements |                                     |                         |                                          |                          |                   |                          |
|----------------------------------------------------------|-----------------------------------|-------------------------------------|-------------------------|------------------------------------------|--------------------------|-------------------|--------------------------|
|                                                          | Land and land improvements        | Buildings and building improvements | Machinery and equipment | Office furniture, fixtures and equipment | Transportation equipment | Stores and spares | Construction in progress |
| Note                                                     |                                   |                                     |                         |                                          |                          |                   | Total                    |
| <i>(in thousand Baht)</i>                                |                                   |                                     |                         |                                          |                          |                   |                          |
| <b>Cost</b>                                              |                                   |                                     |                         |                                          |                          |                   |                          |
| <b>At 1 January 2014 – as reported</b>                   | <b>5,154,524</b>                  | <b>13,545,810</b>                   | <b>103,893,497</b>      | <b>1,129,919</b>                         | <b>243,062</b>           | <b>647,425</b>    | <b>132,368,826</b>       |
| Impact of changes in accounting policy                   | -                                 | -                                   | (7,582,582)             | -                                        | -                        | -                 | (7,582,582)              |
| <b>At 1 January 2014 – restated</b>                      | <b>5,154,524</b>                  | <b>13,545,810</b>                   | <b>96,310,915</b>       | <b>1,129,919</b>                         | <b>243,062</b>           | <b>647,425</b>    | <b>124,786,244</b>       |
| Additions                                                | 13,412                            | 411,003                             | 740,938                 | 43,517                                   | 5,377                    | 143,443           | 9,111,384                |
| Acquisitions through business combinations               | 5,155                             | 290,178                             | 3,716,448               | 60,875                                   | -                        | -                 | 4,112,991                |
| Transfers                                                | 47,961                            | 953,979                             | 9,653,382               | 83,731                                   | 10,605                   | (101,616)         | -                        |
| Reclassification                                         | -                                 | 40                                  | (49,381)                | -                                        | -                        | 202               | (49,179)                 |
| Disposals                                                | -                                 | (56,096)                            | (379,503)               | (97,542)                                 | (17,969)                 | (3,627)           | (570,129)                |
| Effect of movements in exchange rates                    | (84,667)                          | (521,530)                           | (2,886,828)             | (50,029)                                 | (2,020)                  | (3,729)           | (3,785,354)              |
| <b>At 31 December 2014 and 1 January 2015 – restated</b> | <b>5,136,385</b>                  | <b>14,623,384</b>                   | <b>107,105,971</b>      | <b>1,170,471</b>                         | <b>239,055</b>           | <b>682,098</b>    | <b>133,605,957</b>       |
| Additions                                                | 120,888                           | 132,495                             | 1,056,314               | 40,813                                   | 8,628                    | 180,196           | 11,508,692               |
| Acquisitions through business combinations               | 1,179,955                         | 2,213,443                           | 8,827,702               | 58,467                                   | 18,483                   | -                 | 15,124,761               |
| Transfers                                                | 9,773                             | 856,061                             | 5,115,055               | 53,871                                   | 8,207                    | (47,984)          | -                        |
| Reclassification                                         | -                                 | 3,964                               | (3,964)                 | -                                        | -                        | (55)              | (47,447)                 |
| Disposals                                                | (13,957)                          | (107,319)                           | (724,946)               | (11,143)                                 | (14,765)                 | (10,073)          | (886,039)                |
| Effect of movements in exchange rates                    | 360,066                           | 611,060                             | 3,849,352               | 15,605                                   | 6,472                    | (7,028)           | 5,193,430                |
| <b>At 31 December 2015</b>                               | <b>6,793,110</b>                  | <b>18,333,088</b>                   | <b>125,225,484</b>      | <b>1,328,084</b>                         | <b>266,080</b>           | <b>797,154</b>    | <b>164,499,354</b>       |

| Consolidated financial statements                        |                                        |                                     |                         |                                          |                          |                    |                          |       |                           |
|----------------------------------------------------------|----------------------------------------|-------------------------------------|-------------------------|------------------------------------------|--------------------------|--------------------|--------------------------|-------|---------------------------|
| Note                                                     | Land and land improvements             | Buildings and building improvements | Machinery and equipment | Office furniture, fixtures and equipment | Transportation equipment | Stores and spares  | Construction in progress | Total |                           |
|                                                          | (in thousand Baht)                     |                                     |                         |                                          |                          |                    |                          |       |                           |
| <b>Depreciation</b>                                      |                                        |                                     |                         |                                          |                          |                    |                          |       |                           |
| 3                                                        | At 1 January 2014 – as reported        | 277,036                             | 2,807,938               | 32,183,838<br>(6,303,628)                | 689,882                  | 139,351            | 39,630                   | -     | 36,137,675<br>(6,303,628) |
|                                                          | Impact of changes in accounting policy | -                                   | -                       |                                          | -                        | -                  | -                        | -     |                           |
|                                                          | At 1 January 2014 – restated           | 277,036                             | 2,807,938               | 25,880,210                               | 689,882                  | 139,351            | 39,630                   | -     | 29,834,047                |
|                                                          | Depreciation charge for the year       | 80,074                              | 688,293<br>(41,467)     | 6,147,245<br>(262,163)                   | 135,099<br>(96,479)      | 35,027<br>(14,403) | 22,607<br>(1,875)        | -     | 7,108,345<br>(416,387)    |
|                                                          | Disposals                              | -                                   |                         |                                          |                          |                    |                          | -     |                           |
|                                                          | Effect of movements in exchange rates  | 1,153                               | (168,953)               | (1,088,113)                              | (26,475)                 | (2,994)            | 19                       | -     | (1,285,363)               |
| <b>At 31 December 2014 and 1 January 2015 – restated</b> |                                        |                                     |                         |                                          |                          |                    |                          |       |                           |
|                                                          | Depreciation charge for the year       | 358,263                             | 3,285,811               | 30,677,179                               | 702,027                  | 156,981            | 60,381                   | -     | 35,240,642                |
|                                                          | Disposals                              | 88,203                              | 818,269<br>(78,455)     | 7,198,357<br>(503,452)                   | 149,105<br>(11,053)      | 39,816<br>(13,234) | 30,747<br>(513)          | -     | 8,324,497<br>(606,707)    |
|                                                          | Effect of movements in exchange rates  | 27,659                              | 21,978                  | 553,984                                  | 11,035                   | 1,853              | 548                      | -     | 617,057                   |
| <b>At 31 December 2015</b>                               |                                        |                                     |                         |                                          |                          |                    |                          |       |                           |
|                                                          |                                        | 474,125                             | 4,047,603               | 37,926,068                               | 851,114                  | 185,416            | 91,163                   | -     | 43,575,489                |
| <b>Impairment</b>                                        |                                        |                                     |                         |                                          |                          |                    |                          |       |                           |
|                                                          | At 1 January 2014                      | -                                   | -                       | (17,658)                                 | -                        | -                  | -                        | -     | (17,658)                  |
|                                                          | Impairment losses                      | -                                   | -                       | (557,772)                                | -                        | -                  | -                        | -     | (557,772)                 |
|                                                          | Write-off                              | -                                   | -                       | 32,585                                   | -                        | -                  | -                        | -     | 32,585                    |
|                                                          | At 31 December 2014 and 1 January 2015 | -                                   | -                       | (542,845)                                | -                        | -                  | -                        | -     | (542,845)                 |
|                                                          | Impairment losses                      | -                                   | -                       | (8,929)                                  | -                        | -                  | -                        | -     | (8,929)                   |
|                                                          | Write-off                              | -                                   | -                       | 17,658                                   | -                        | -                  | -                        | -     | 17,658                    |
|                                                          | Effect of movements in exchange rates  | -                                   | -                       | (24,167)                                 | -                        | -                  | -                        | -     | (24,167)                  |
|                                                          | At 31 December 2015                    | -                                   | -                       | (558,283)                                | -                        | -                  | -                        | -     | (558,283)                 |



During the fourth quarter of 2013, Indorama Polymers Workington Ltd. ("IRPW"), an indirect subsidiary, suspended its operations and mothballed the plant with an intention to re-start the operations when the business conditions improved. Based on management's reassessment during the second quarter of 2014, the decision to re-start has been deferred for some additional time. The management of IRPW believed that the values of its plant, machinery and equipment and related spare parts as of 30 June 2014 might be impaired. Management of IRPW assessed the recoverable amount by preparing discounted cash flow projections ("DCF") to determine the value in use of the cash-generating unit ("CGU") which comprised plant, buildings and building improvements and machinery and equipment and related spare parts related to IRPW's production and appointed an independent appraiser to determine the fair value less cost of disposal of property, plant and equipment as at 31 December 2014. Based on the result of the assessment, IRPW recorded an impairment loss on plant, machinery and equipment of Baht 557.8 million and spare parts of Baht 39.6 million, totalling Baht 597.4 million in the statement of income for the year ended 31 December 2014. As at 31 December 2015, the management of IRPW re-assessed the recoverable amount of impaired CGU and concluded that there has been no change in the amount of allowance for impairment loss since the date of the last assessment.

#### **Discount rate**

The discount rate which is used in the DCF to determine the value in use as at an assessment date, is a pre-tax measure estimated based on past experience and industry weighted average cost of capital plus risk adjusted as estimated by the management of IRPW.

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2015 amounted to Baht 19,879.6 million (2014: Baht 18,052.3 million).

Certain property, plant and equipment with a carrying value of Baht 42,876.7 million (2014: Baht 37,318.8 million) have been pledged as collateral to secure loans from financial institutions.

Capitalised borrowing costs relating to the construction of the new plant amounted to Baht 134.5 million (2014: Baht 67.3 million), with a capitalisation rate of 2.50-5.49% (2014: 1.35-4.50%) [see Note 33].

## **16 Goodwill**

|                                       | Note  | Consolidated financial statements |           |
|---------------------------------------|-------|-----------------------------------|-----------|
|                                       |       | 2015                              | 2014      |
|                                       |       | (in thousand Baht)                |           |
| Cost                                  |       |                                   |           |
| At 1 January                          | 5(ii) | 8,054,789                         | 8,018,747 |
| Acquired through business combination |       | 918,402                           | -         |
| Effect of movements in exchange rates |       | 815,366                           | 36,042    |
| At 31 December                        |       | 9,788,557                         | 8,054,789 |
| Net book value                        |       |                                   |           |
| At 1 January                          |       | 8,054,789                         | 8,018,747 |
| At 31 December                        |       | 9,788,557                         | 8,054,789 |

## 17 Other intangible assets

| Note                                               | Consolidated financial statements |                                     |                   |                                 |                                      |                           |                             |                                     |            |
|----------------------------------------------------|-----------------------------------|-------------------------------------|-------------------|---------------------------------|--------------------------------------|---------------------------|-----------------------------|-------------------------------------|------------|
|                                                    | Rights acquired                   | Supplier contract and relationships | Software licenses | Technology licenses and knowhow | Customer contracts and relationships | Trade name and trademarks | Chemicals exchange contract | Capitalised development expenditure | Total      |
|                                                    | (in thousand Baht)                |                                     |                   |                                 |                                      |                           |                             |                                     |            |
| Cost                                               |                                   |                                     |                   |                                 |                                      |                           |                             |                                     |            |
| At 1 January 2014                                  | 81,369                            | 4,425,169                           | 203,497           | 3,659,316                       | 3,671,104                            | 740,706                   | 328,136                     | -                                   | 13,109,297 |
| Additions                                          | 6,151                             | -                                   | 42,301            | 23,936                          | -                                    | -                         | -                           | 20,801                              | 93,189     |
| Acquisitions through business combinations         | -                                 | -                                   | 3,008             | 409,514                         | -                                    | 223,609                   | -                           | -                                   | 636,131    |
| ● PHP Fibers GmbH                                  |                                   |                                     |                   |                                 |                                      |                           |                             |                                     |            |
| ● Artenius Turkpct Kimyevi                         |                                   |                                     |                   |                                 |                                      |                           |                             |                                     |            |
| Maddeler Sanayi A.S.                               | 2,145                             | -                                   | 1,410             | -                               | 166,738                              | -                         | -                           | -                                   | 170,293    |
| Write-off                                          | -                                 | -                                   | (577)             | -                               | -                                    | -                         | -                           | -                                   | (577)      |
| Effect of movements in exchange rates              | (4,446)                           | (22,253)                            | (4,267)           | (54,406)                        | (168,585)                            | (49,853)                  | 1,494                       | 308                                 | (302,008)  |
| At 31 December 2014 and 1 January 2015             | 85,219                            | 4,402,916                           | 245,372           | 4,038,360                       | 3,669,257                            | 914,462                   | 329,630                     | 21,109                              | 13,706,325 |
| Additions                                          | 886                               | -                                   | 13,034            | -                               | -                                    | -                         | -                           | 41,903                              | 55,823     |
| Acquisitions through business combinations         |                                   |                                     |                   |                                 |                                      |                           |                             |                                     |            |
| 5(i) ● Polyplex Resins San. ve Tic. A.S.           | 1,227                             | -                                   | -                 | -                               | -                                    | -                         | -                           | -                                   | 1,227      |
| ● Performance Fibers Holdings                      |                                   |                                     |                   |                                 |                                      |                           |                             |                                     |            |
| Finance, Inc.                                      |                                   |                                     |                   |                                 |                                      |                           |                             |                                     |            |
| 5(iii) ● Bangkok Polyesters Public Company Limited | -                                 | -                                   | 5,170             | 448,673                         | 604,733                              | 448,673                   | -                           | 162,563                             | 1,669,812  |
| 5(iiii) ● CEPSA Chimie Montréal s.e.c              | -                                 | -                                   | 218               | -                               | 259,424                              | -                         | -                           | -                                   | 259,642    |
| 5(iv) ● CEPSA Chimie Montréal s.e.c                | -                                 | -                                   | -                 | 562,495                         | -                                    | -                         | -                           | -                                   | 562,495    |
| 5(v) ● Micro Polypet Private Limited               | -                                 | 35,936                              | -                 | -                               | -                                    | -                         | -                           | -                                   | 35,936     |
| Reclassifications                                  | (6,493)                           | -                                   | 7,975             | (126,265)                       | -                                    | -                         | -                           | 126,265                             | 1,482      |
| Write-off                                          | -                                 | -                                   | -                 | -                               | -                                    | -                         | -                           | (783)                               | (783)      |
| Effect of movements in exchange rates              | 2,152                             | 381,384                             | 15,101            | 337,096                         | 204,903                              | 64,025                    | 31,256                      | 17,488                              | 1,053,405  |
| At 31 December 2015                                | 82,991                            | 4,820,236                           | 286,870           | 5,260,359                       | 4,738,317                            | 1,427,160                 | 360,886                     | 368,545                             | 17,345,364 |

|                                        | Consolidated financial statements |                                     |                   |                                 |                                      |                           |                             |                                     |
|----------------------------------------|-----------------------------------|-------------------------------------|-------------------|---------------------------------|--------------------------------------|---------------------------|-----------------------------|-------------------------------------|
|                                        | Rights acquired                   | Supplier contract and relationships | Software licenses | Technology licenses and knowhow | Customer contracts and relationships | Trade name and trademarks | Chemicals exchange contract | Capitalised development expenditure |
|                                        | (in thousand Baht)                |                                     |                   |                                 |                                      |                           |                             |                                     |
| Amortisation                           |                                   |                                     |                   |                                 |                                      |                           |                             |                                     |
| At 1 January 2014                      | 20,831                            | 255,187                             | 99,257            | 602,791                         | 849,217                              | 6,169                     | 30,188                      | -                                   |
| Amortisation charge for the year       | 3,745                             | 139,284                             | 45,776            | 214,762                         | 335,890                              | 20,633                    | 17,095                      | -                                   |
| Write-off                              | -                                 | -                                   | (577)             | -                               | -                                    | -                         | -                           | -                                   |
| Effect of movements in exchange rates  | (1,742)                           | 3,229                               | (364)             | (5,794)                         | (54,524)                             | (2,017)                   | 391                         | -                                   |
| At 31 December 2014 and 1 January 2015 | 22,834                            | 397,700                             | 144,092           | 811,759                         | 1,130,583                            | 24,785                    | 47,674                      | -                                   |
| Amortisation charge for the year       | 5,361                             | 147,319                             | 31,034            | 286,207                         | 404,310                              | 60,824                    | 18,045                      | 34,315                              |
| Reclassifications                      | -                                 | -                                   | -                 | (4,451)                         | -                                    | -                         | -                           | 4,451                               |
| Effect of movements in exchange rates  | (3)                               | 45,438                              | 11,921            | 67,859                          | 64,210                               | 1,180                     | 5,469                       | 1,260                               |
| At 31 December 2015                    | 28,192                            | 590,457                             | 187,047           | 1,161,374                       | 1,599,103                            | 86,789                    | 71,188                      | 40,026                              |
| Net book value                         |                                   |                                     |                   |                                 |                                      |                           |                             |                                     |
| At 1 January 2014                      | 60,538                            | 4,169,982                           | 104,240           | 3,056,525                       | 2,821,887                            | 734,537                   | 297,948                     | -                                   |
| At 31 December 2014 and 1 January 2015 | 62,385                            | 4,005,216                           | 101,280           | 3,226,601                       | 2,538,674                            | 889,677                   | 281,956                     | 21,109                              |
| At 31 December 2015                    | 54,799                            | 4,229,779                           | 99,823            | 4,098,985                       | 3,139,214                            | 1,340,371                 | 289,698                     | 328,519                             |

## 18 Deferred tax

Deferred tax assets and liabilities as at 31 December 2015 and 2014 were as follows:

|                                              | Consolidated financial statements |                    |               |                    |              |                    |
|----------------------------------------------|-----------------------------------|--------------------|---------------|--------------------|--------------|--------------------|
|                                              | Assets                            |                    | Liabilities   |                    | Net          |                    |
|                                              | 2015                              | 2014<br>(Restated) | 2015          | 2014<br>(Restated) | 2015         | 2014<br>(Restated) |
|                                              | (in million Baht)                 |                    |               |                    |              |                    |
| Property, plant and equipment                | (1,606)                           | (630)              | 11,246        | 9,772              | 9,640        | 9,142              |
| Intangible assets                            | (81)                              | (16)               | 2,914         | 2,084              | 2,833        | 2,068              |
| Accounts receivable                          | (8)                               | (7)                | -             | -                  | (8)          | (7)                |
| Derivatives                                  | (27)                              | -                  | -             | 53                 | (27)         | 53                 |
| Inventories                                  | (195)                             | (131)              | 43            | 69                 | (152)        | (62)               |
| Provisions                                   | (349)                             | (282)              | 326           | 306                | (23)         | 24                 |
| Loss carry forward                           | (3,099)                           | (3,109)            | -             | -                  | (3,099)      | (3,109)            |
| Others                                       | (980)                             | (655)              | 352           | 198                | (628)        | (457)              |
| Total                                        | (6,345)                           | (4,830)            | 14,881        | 12,482             | 8,536        | 7,652              |
| Set off of tax                               | 3,658                             | 3,601              | (3,658)       | (3,601)            | -            | -                  |
| <b>Net deferred tax (assets) liabilities</b> | <b>(2,687)</b>                    | <b>(1,229)</b>     | <b>11,223</b> | <b>8,881</b>       | <b>8,536</b> | <b>7,652</b>       |

|                                | Separate financial statements |             |             |          |             |             |
|--------------------------------|-------------------------------|-------------|-------------|----------|-------------|-------------|
|                                | Assets                        |             | Liabilities |          | Net         |             |
|                                | 2015                          | 2014        | 2015        | 2014     | 2015        | 2014        |
|                                | (in million Baht)             |             |             |          |             |             |
| Derivatives                    | -                             | -           | 10          | 39       | 10          | 39          |
| Loss carry forward             | (20)                          | (65)        | -           | -        | (20)        | (65)        |
| Total                          | (20)                          | (65)        | 10          | 39       | (10)        | (26)        |
| Set off of tax                 | 10                            | 39          | (10)        | (39)     | -           | -           |
| <b>Net deferred tax assets</b> | <b>(10)</b>                   | <b>(26)</b> | <b>-</b>    | <b>-</b> | <b>(10)</b> | <b>(26)</b> |

Movements in total deferred tax assets and liabilities during the years ended 31 December 2015 and 2014 were as follows:

|                               | Consolidated financial statements  |                |                                  |          |                                        |                         |                           |
|-------------------------------|------------------------------------|----------------|----------------------------------|----------|----------------------------------------|-------------------------|---------------------------|
|                               | Charged / (credited to) :          |                |                                  |          |                                        |                         |                           |
|                               | At 1 January<br>2015<br>(Restated) | Profit or loss | Other<br>comprehensive<br>income | Equity   | Acquired in<br>business<br>combination | Exchange<br>differences | At 31<br>December<br>2015 |
|                               | (in million Baht)                  |                |                                  |          |                                        |                         |                           |
| Property, plant and equipment | 9,142                              | 414            | -                                | -        | (507)                                  | 591                     | 9,640                     |
| Intangible assets             | 2,068                              | 160            | -                                | -        | 437                                    | 168                     | 2,833                     |
| Accounts receivable           | (7)                                | 2              | -                                | -        | (3)                                    | -                       | (8)                       |
| Derivatives                   | 53                                 | (29)           | (39)                             | -        | -                                      | (12)                    | (27)                      |
| Inventories                   | (62)                               | (56)           | -                                | -        | (24)                                   | (10)                    | (152)                     |
| Provisions                    | 24                                 | (15)           | -                                | -        | (28)                                   | (4)                     | (23)                      |
| Loss carry forward            | (3,109)                            | 824            | -                                | -        | (678)                                  | (136)                   | (3,099)                   |
| Others                        | (457)                              | (246)          | 38                               | -        | 51                                     | (14)                    | (628)                     |
| <b>Total</b>                  | <b>7,652</b>                       | <b>1,054</b>   | <b>(1)</b>                       | <b>-</b> | <b>(752)</b>                           | <b>583</b>              | <b>8,536</b>              |

| Consolidated financial statements |                                    |                |                                  |             |                                        |                         |                                      |
|-----------------------------------|------------------------------------|----------------|----------------------------------|-------------|----------------------------------------|-------------------------|--------------------------------------|
| Charged / (credited to) :         |                                    |                |                                  |             |                                        |                         |                                      |
|                                   | At 1 January<br>2014<br>(Restated) | Profit or loss | Other<br>comprehensive<br>income | Equity      | Acquired in<br>business<br>combination | Exchange<br>differences | At 31 December<br>2014<br>(Restated) |
| (in million Baht)                 |                                    |                |                                  |             |                                        |                         |                                      |
| Property, plant and equipment     | 7,753                              | 549            | (1)                              | -           | 989                                    | (148)                   | 9,142                                |
| Intangible assets                 | 1,687                              | 102            | -                                | -           | 226                                    | 53                      | 2,068                                |
| Accounts receivable               | (5)                                | 2              | -                                | -           | (5)                                    | 1                       | (7)                                  |
| Derivatives                       | (65)                               | 28             | 93                               | -           | -                                      | (3)                     | 53                                   |
| Inventories                       | (94)                               | (26)           | -                                | -           | 65                                     | (7)                     | (62)                                 |
| Provisions                        | 33                                 | 7              | -                                | -           | (6)                                    | (10)                    | 24                                   |
| Loss carry forward                | (3,619)                            | 517            | -                                | (40)        | (1)                                    | 34                      | (3,109)                              |
| Others                            | (96)                               | (5)            | (125)                            | -           | (139)                                  | (92)                    | (457)                                |
| <b>Total</b>                      | <b>5,594</b>                       | <b>1,174</b>   | <b>(33)</b>                      | <b>(40)</b> | <b>1,129</b>                           | <b>(172)</b>            | <b>7,652</b>                         |

| Separate financial statements |                   |                |                               |          |                     |
|-------------------------------|-------------------|----------------|-------------------------------|----------|---------------------|
| Charged / (credited to) :     |                   |                |                               |          |                     |
|                               | At 1 January 2015 | Profit or loss | Other comprehensive<br>income | Equity   | At 31 December 2015 |
| (in million Baht)             |                   |                |                               |          |                     |
| Derivatives                   | 39                | -              | (29)                          | -        | 10                  |
| Loss carry forward            | (65)              | 45             | -                             | -        | (20)                |
| <b>Total</b>                  | <b>(26)</b>       | <b>45</b>      | <b>(29)</b>                   | <b>-</b> | <b>(10)</b>         |

| Separate financial statements |                   |                |                               |             |                     |
|-------------------------------|-------------------|----------------|-------------------------------|-------------|---------------------|
| Charged / (credited to) :     |                   |                |                               |             |                     |
|                               | At 1 January 2014 | Profit or loss | Other comprehensive<br>income | Equity      | At 31 December 2014 |
| (in million Baht)             |                   |                |                               |             |                     |
| Derivatives                   | (59)              | -              | 98                            | -           | 39                  |
| Loss carry forward            | (25)              | -              | -                             | (40)        | (65)                |
| <b>Total</b>                  | <b>(84)</b>       | <b>-</b>       | <b>98</b>                     | <b>(40)</b> | <b>(26)</b>         |

Deferred tax assets have not been recognised in respect of the following items:

|                                  | Consolidated financial statements |              | Separate financial statements |          |
|----------------------------------|-----------------------------------|--------------|-------------------------------|----------|
|                                  | 2015                              | 2014         | 2015                          | 2014     |
| (in million Baht)                |                                   |              |                               |          |
| Deductible temporary differences | (232)                             | (17)         | -                             | -        |
| Tax losses                       | 2,512                             | 1,438        | -                             | -        |
| <b>Total</b>                     | <b>2,280</b>                      | <b>1,421</b> | <b>-</b>                      | <b>-</b> |

The tax losses expire from 2016 onward. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will arise against which the Group can utilise the benefits therefrom.

## 19 Interest-bearing liabilities

|                                                                         | Consolidated financial statements |                   | Separate financial statements |                   |
|-------------------------------------------------------------------------|-----------------------------------|-------------------|-------------------------------|-------------------|
|                                                                         | 2015                              | 2014              | 2015                          | 2014              |
| <i>(in thousand Baht)</i>                                               |                                   |                   |                               |                   |
| <b>Current</b>                                                          |                                   |                   |                               |                   |
| Bank overdrafts                                                         |                                   |                   |                               |                   |
| Secured                                                                 | 601,632                           | 966,810           | -                             | -                 |
| Unsecured                                                               | 18,918                            | 51,228            | -                             | -                 |
| Short-term loans from financial institutions (a)                        |                                   |                   |                               |                   |
| Secured                                                                 | 8,358,600                         | 6,384,865         | -                             | -                 |
| Unsecured                                                               | 3,135,859                         | 1,178,139         | 1,244,000                     | -                 |
| <b>Bank overdrafts and short-term loans from financial institutions</b> | <b>12,115,009</b>                 | <b>8,581,042</b>  | <b>1,244,000</b>              | <b>-</b>          |
| Current portion of long-term loans from financial institutions          |                                   |                   |                               |                   |
| Secured                                                                 | 1,552,545                         | 1,581,843         | -                             | -                 |
| Unsecured                                                               | 632,188                           | 2,897,274         | 202,229                       | 1,673,036         |
| Less deferred financing costs                                           | (66,580)                          | (52,889)          | (17,588)                      | (4,472)           |
| <b>Net current portion of long-term loans (b)</b>                       | <b>2,118,153</b>                  | <b>4,426,228</b>  | <b>184,641</b>                | <b>1,668,564</b>  |
| <b>Current portion of finance lease liabilities (c)</b>                 | <b>8,440</b>                      | <b>8,345</b>      | <b>-</b>                      | <b>-</b>          |
| <b>Current portion of debentures (d)</b>                                | <b>2,898,005</b>                  | <b>-</b>          | <b>2,898,005</b>              | <b>-</b>          |
| <b>Total current interest-bearing liabilities</b>                       | <b>17,139,607</b>                 | <b>13,015,615</b> | <b>4,326,646</b>              | <b>1,668,564</b>  |
| <b>Non-current</b>                                                      |                                   |                   |                               |                   |
| Long-term loans from financial institutions                             |                                   |                   |                               |                   |
| Secured                                                                 | 6,426,592                         | 8,833,853         | -                             | -                 |
| Unsecured                                                               | 27,917,172                        | 24,112,200        | 7,766,577                     | 5,734,495         |
| Less deferred financing costs                                           | (203,476)                         | (188,472)         | (37,719)                      | (12,688)          |
| <b>Net long-term loans (b)</b>                                          | <b>34,140,288</b>                 | <b>32,757,581</b> | <b>7,728,858</b>              | <b>5,721,807</b>  |
| <b>Finance lease liabilities (c)</b>                                    | <b>16,351</b>                     | <b>21,418</b>     | <b>-</b>                      | <b>-</b>          |
| <b>Debentures (d)</b>                                                   | <b>32,310,010</b>                 | <b>27,498,956</b> | <b>27,358,481</b>             | <b>27,498,956</b> |
| <b>Total non-current interest-bearing liabilities</b>                   | <b>66,466,649</b>                 | <b>60,277,955</b> | <b>35,087,339</b>             | <b>33,220,763</b> |

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

|                                      | Consolidated financial statements |                   | Separate financial statement |                   |
|--------------------------------------|-----------------------------------|-------------------|------------------------------|-------------------|
|                                      | 2015                              | 2014              | 2015                         | 2014              |
| <i>(in thousand Baht)</i>            |                                   |                   |                              |                   |
| Within one year                      | 17,131,167                        | 13,007,270        | 4,326,646                    | 1,668,564         |
| After one year but within five years | 43,222,198                        | 41,494,922        | 17,851,305                   | 18,656,466        |
| After five years                     | 23,228,100                        | 18,761,615        | 17,236,034                   | 14,564,297        |
| <b>Total</b>                         | <b>83,581,465</b>                 | <b>73,263,807</b> | <b>39,413,985</b>            | <b>34,889,327</b> |

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

|                               | Consolidated financial statements |                   | Separate financial statements |          |
|-------------------------------|-----------------------------------|-------------------|-------------------------------|----------|
|                               | 2015                              | 2014              | 2015                          | 2014     |
|                               | <i>(in thousand Baht)</i>         |                   |                               |          |
| Current investments           | -                                 | 90                | -                             | -        |
| Trade accounts receivable     | 11,192,912                        | 9,891,157         | -                             | -        |
| Inventories                   | 11,612,763                        | 11,081,903        | -                             | -        |
| Property, plant and equipment | 42,876,703                        | 37,318,829        | -                             | -        |
| <b>Total</b>                  | <b>65,682,378</b>                 | <b>58,291,979</b> | <b>-</b>                      | <b>-</b> |

**(a) Short-term loans from financial institutions**

Short-term loans from financial institutions comprise the following:

|                                                                                                                                                | Consolidated financial statements |                  | Separate financial statements |          |
|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------|-------------------------------|----------|
|                                                                                                                                                | 2015                              | 2014             | 2015                          | 2014     |
|                                                                                                                                                | <i>(in thousand Baht)</i>         |                  |                               |          |
| Short-term loans                                                                                                                               | 7,332,488                         | 4,398,881        | 1,244,000                     | -        |
| Revolving loan (USD 57,451,992)<br><i>(2014: USD 65,965,990)</i> due in December 2018,<br>secured by trade accounts receivable and inventories | 2,073,362                         | 2,174,140        | -                             | -        |
| Revolving loan (EUR 41,792,882)<br><i>(2014: EUR 24,716,822)</i> due in September 2018                                                         | 1,648,259                         | 989,983          | -                             | -        |
| Revolving loan (EUR 10,946,931)                                                                                                                | 431,734                           | -                | -                             | -        |
| Liabilities under trust receipts                                                                                                               | 8,616                             | -                | -                             | -        |
| <b>Total</b>                                                                                                                                   | <b>11,494,459</b>                 | <b>7,563,004</b> | <b>1,244,000</b>              | <b>-</b> |

Under the terms of trust receipt agreements with banks, certain imported inventory has been released by the bank to the Group in trust. The Group is accountable to the banks for the inventory or its related sales proceeds until the inventory is fully paid for.

Although the Group has no current expectations it will repay the full amount of the EUR and USD revolving credit loan before the agreement expires, the borrowings have been classified as short-term debt on the Group's statement of financial position due to certain subjective provisions available to the bank that are included in the loan document.

**(b) Long-term loans from financial institutions**

Long-term loans from financial institutions comprise the following :

|                                                                                                                                                                                                | Consolidated financial statements |           | Separate financial statements |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------|-------------------------------|-----------|
|                                                                                                                                                                                                | 2015                              | 2014      | 2015                          | 2014      |
|                                                                                                                                                                                                | <i>(in thousand Baht)</i>         |           |                               |           |
| Unsecured loan, due in October 2016, repayable in quarterly installments, with interest at THBFIX 3 month plus margin per annum                                                                | -                                 | 1,228,500 | -                             | 1,228,500 |
| Unsecured loan, due in February 2015, repayable in semi-annual installments, with interest at THBFIX 3 month plus margin per annum                                                             | -                                 | 900,000   | -                             | 900,000   |
| Unsecured loan, due in February 2017, repayable in semi-annual installments, with interest at THBFIX 3 month plus margin per annum                                                             | -                                 | 981,000   | -                             | 981,000   |
| Unsecured loan, due in April 2018, repayable in semi-annual installments, with interest at THBFIX 6 month plus margin per annum                                                                | -                                 | 1,080,000 | -                             | 1,080,000 |
| Unsecured loan, due in February 2017, repayable in semi-annual installments, with interest at THBFIX 3 month plus margin per annum                                                             | -                                 | 495,000   | -                             | 495,000   |
| Unsecured loan, due in March 2017, repayable in semi-annual installment, with interest at THBFIX 3 month plus margin per annum                                                                 | -                                 | 483,000   | -                             | 483,000   |
| Unsecured loan, due in March 2017, repayable in semi-annual installments, with interest at LIBOR 6 month plus margin per annum                                                                 | 124,051                           | 188,841   | 124,051                       | 188,841   |
| Unsecured loan, due in April 2021, repayable in quarterly installments, with interest at EURIBOR 3 month plus margin per annum                                                                 | 1,485,375                         | 1,617,091 | 1,485,375                     | 1,617,091 |
| Unsecured loan, due in May 2018, repayable in bullet repayment, with interest at LIBOR plus margin per annum                                                                                   | 3,625,380                         | -         | 3,625,380                     | -         |
| Unsecured loan, due in September 2023, repayable in quarterly installments, with interest at BIBOR 3 month plus margin per annum                                                               | 2,734,000                         | -         | 2,734,000                     | -         |
| Unsecured loan, due in January 2021, repayable in semi-annual installments, with interest at LIBOR 6 month plus margin per annum                                                               | 906,346                           | -         | -                             | -         |
| Secured loan, due in December 2018, repayable in semi-annual installments, with interest at LIBOR plus margin per annum, secured by property, plant and equipment                              | 1,082,658                         | 1,977,780 | -                             | -         |
| Secured loan, due in September 2018, repayable in quarterly installments, starting in September 2015, with interest at EURIBOR plus margin per annum, secured by property plant, and equipment | 3,549,491                         | 4,005,300 | -                             | -         |

|                                                                                                                                                                                                          | Consolidated financial statements |                   | Separate financial statements |                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------|-------------------------------|------------------|
|                                                                                                                                                                                                          | 2015                              | 2014              | 2015                          | 2014             |
|                                                                                                                                                                                                          | <i>(in thousand Baht)</i>         |                   |                               |                  |
| Secured loan, due in December 2019, repayable in semi-annual installments, with interest at LIBOR plus margin per annum, secured by property, plant and equipment                                        | 1,263,102                         | 3,296,300         | -                             | -                |
| Unsecured loan, due in December 2020, repayable in quarterly installments, with interest at LIBOR plus margin per annum                                                                                  | 17,322,528                        | 18,986,688        | -                             | -                |
| Unsecured loan, due in March 2022, repayable in quarterly installments, with interest at EURIBOR 3 month plus margin per annum.                                                                          | 1,262,038                         | -                 | -                             | -                |
| Secured loan, due in January 2022 repayable in quarterly installments with interest base rate plus margin per annum, secured by trade accounts receivable, inventories and Property, plant and equipment | 750,427                           | -                 | -                             | -                |
| Other long-term loans                                                                                                                                                                                    | 2,423,101                         | 2,185,670         | -                             | 434,099          |
| Total loans from financial institutions                                                                                                                                                                  | 36,528,497                        | 37,425,170        | 7,968,806                     | 7,407,531        |
| Less deferred financing costs                                                                                                                                                                            | (270,056)                         | (241,361)         | (55,307)                      | (17,160)         |
| Net loans from financial institutions                                                                                                                                                                    | 36,258,441                        | 37,183,809        | 7,913,499                     | 7,390,371        |
| Less portion due within one year, net of related deferred financing costs                                                                                                                                | (2,118,153)                       | (4,426,228)       | (184,641)                     | (1,668,564)      |
| <b>Long-term loans from financial institutions</b>                                                                                                                                                       | <b>34,140,288</b>                 | <b>32,757,581</b> | <b>7,728,858</b>              | <b>5,721,807</b> |

The above loan agreements contain certain covenants relating to the declaration and payment of dividends, maintenance of financial ratios, acquisition of major fixed assets, additional indebtedness and share transfers.

As at 31 December 2015, the Group had unutilised credit facilities totaling Baht 51,216.2 million *(2014: Baht 37,858.8 million)*.

**(c) Finance lease liabilities**

Finance lease liabilities as at 31 December were payable as follows:

|                                      | Consolidated financial statements |              |                                         |                               |            |                                         |
|--------------------------------------|-----------------------------------|--------------|-----------------------------------------|-------------------------------|------------|-----------------------------------------|
|                                      | 2015                              |              |                                         | 2014                          |            |                                         |
|                                      | Future minimum lease payments     | Interest     | Present value of minimum lease payments | Future minimum lease payments | Interest   | Present value of minimum lease payments |
|                                      | <i>(in thousand Baht)</i>         |              |                                         |                               |            |                                         |
| Within one year                      | 10,096                            | 1,656        | 8,440                                   | 8,710                         | 365        | 8,345                                   |
| After one year but within five years | 19,544                            | 3,193        | 16,351                                  | 22,035                        | 617        | 21,418                                  |
| <b>Total</b>                         | <b>29,640</b>                     | <b>4,849</b> | <b>24,791</b>                           | <b>30,745</b>                 | <b>982</b> | <b>29,763</b>                           |

**(d) Debentures**

As at 31 December, the Group had outstanding debentures as follows:

|                                 | Consolidated financial statements |                   | Separate financial statements |                   |
|---------------------------------|-----------------------------------|-------------------|-------------------------------|-------------------|
|                                 | 2015                              | 2014              | 2015                          | 2014              |
| <i>(in thousand Baht)</i>       |                                   |                   |                               |                   |
| IVL - Debentures (i)            | 30,256,486                        | 27,498,956        | 30,256,486                    | 27,498,956        |
| IVL Singapore - Debentures (ii) | 4,951,529                         | -                 | -                             | -                 |
| <b>Total</b>                    | <b>35,208,015</b>                 | <b>27,498,956</b> | <b>30,256,486</b>             | <b>27,498,956</b> |

**(i) IVL Debentures**

As at 31 December 2015, the Company had outstanding unsubordinated and unsecured debentures totalling Baht 30,300 million (2014: Baht 27,550 million) as follows:

| Debentures no.                      | Principal          | Interest rate<br>(% p.a.) | Term     | Maturity date | Deferred debenture<br>issuance expense | Net                |
|-------------------------------------|--------------------|---------------------------|----------|---------------|----------------------------------------|--------------------|
| <i>(in thousand Baht)</i>           |                    | <i>(in thousand Baht)</i> |          |               |                                        |                    |
| 1/2011-1                            | 210,000            | 4.50-5.05                 | 5 years  | 19 Oct. 16    | 144                                    | 209,856            |
| 1/2011-2                            | 98,000             | 4.75-5.50                 | 7 years  | 19 Oct. 18    | 169                                    | 97,831             |
| 1/2011-3                            | 37,000             | 5.00-6.00                 | 10 years | 19 Oct. 21    | 92                                     | 36,908             |
| 1/2011-4                            | 2,690,000          | 4.70                      | 5 years  | 19 Oct. 16    | 1,851                                  | 2,688,149          |
| 1/2011-5                            | 1,302,000          | 5.04                      | 7 years  | 19 Oct. 18    | 2,244                                  | 1,299,756          |
| 1/2011-6                            | 3,163,000          | 5.35                      | 10 years | 19 Oct. 21    | 7,904                                  | 3,155,096          |
| 1/2012-1                            | 1,500,000          | 4.45-5.20                 | 5 years  | 5 Apr. 17     | 860                                    | 1,499,140          |
| 1/2012-2                            | 1,250,500          | 5.10-6.00                 | 10 years | 5 Apr. 22     | 1,782                                  | 1,248,718          |
| 1/2012-3                            | 2,500,000          | 4.73                      | 5 years  | 5 Apr. 17     | 1,433                                  | 2,498,567          |
| 1/2012-4                            | 1,500,000          | 5.09                      | 7 years  | 5 Apr. 19     | 1,590                                  | 1,498,410          |
| 1/2012-5                            | 2,649,500          | 5.52                      | 10 years | 5 Apr. 22     | 3,776                                  | 2,645,724          |
| 2/2012-1                            | 780,000            | 4.52                      | 6 years  | 14 Dec. 18    | 853                                    | 779,147            |
| 2/2012-2                            | 880,000            | 4.78                      | 8 years  | 14 Dec. 20    | 1,211                                  | 878,789            |
| 2/2012-3                            | 1,645,000          | 5.11                      | 10 years | 14 Dec. 22    | 2,543                                  | 1,642,457          |
| 2/2012-4                            | 1,475,000          | 5.28                      | 12 years | 14 Dec. 24    | 2,447                                  | 1,472,553          |
| 1/2013-1                            | 550,000            | 4.40                      | 5 years  | 27 Jun. 18    | 975                                    | 549,025            |
| 1/2013-2                            | 520,000            | 4.70                      | 7 years  | 27 Jun. 20    | 1,188                                  | 518,812            |
| 1/2013-3                            | 1,100,000          | 5.10                      | 10 years | 27 Jun. 23    | 2,934                                  | 1,097,066          |
| 1/2014-1                            | 1,500,000          | 4.00                      | 3 years  | 14 Mar. 17    | 1,351                                  | 1,498,649          |
| 1/2014-2                            | 800,000            | 4.50                      | 5 years  | 14 Mar. 19    | 1,154                                  | 798,846            |
| 1/2014-3                            | 1,400,000          | 5.30                      | 10 years | 14 Mar. 24    | 2,588                                  | 1,397,412          |
| 1/2015-1                            | 500,000            | 4.00                      | 7 years  | 13 Oct. 22    | 881                                    | 499,119            |
| 1/2015-2                            | 1,100,000          | 4.20                      | 10 years | 13 Oct. 25    | 1,957                                  | 1,098,043          |
| 2/2015-1                            | 1,150,000          | 3.92                      | 10 years | 9 Dec. 25     | 1,587                                  | 1,148,413          |
| <b>Total</b>                        | <b>30,300,000</b>  |                           |          |               | <b>43,514</b>                          | <b>30,256,486</b>  |
| Less portion due<br>within one year | <b>(2,900,000)</b> |                           |          |               | <b>(1,995)</b>                         | <b>(2,898,005)</b> |
| <b>Net</b>                          | <b>27,400,000</b>  |                           |          |               | <b>41,519</b>                          | <b>27,358,481</b>  |

The extraordinary general meeting of shareholders held on 22 September 2011, the annual general meeting of shareholders held on 29 April 2013 and the annual general meeting of shareholders held on 24 April 2015, approved the issue of debentures totally not exceeding Baht 75,000 million (in Baht or equivalent foreign currency).

On 13 October 2015 and 9 December 2015, the Company raised in cash by Baht 1,600 million and Baht 1,150 million, respectively, through the issue of unsubordinated and unsecured Baht debentures in a private placement (2014: Baht 3,700 million).

### (iii) IVL Singapore Debentures

As at 31 December 2015, the IVL Singapore PTE Limited had outstanding senior unsecured guaranteed debentures totalling Baht 4,980 million, as follows:

| Debentures no. | Principal          | Interest rate<br>(% p.a.) | Term     | Maturity date | Deferred debenture<br>issuance expense | Net              |
|----------------|--------------------|---------------------------|----------|---------------|----------------------------------------|------------------|
|                | (in thousand Baht) |                           |          |               | (in thousand Baht)                     |                  |
| 1/2015-1       | 4,980,227          | 3.73                      | 10 years | 7 Oct. 25     | 28,698                                 | 4,951,529        |
| <b>Total</b>   | <b>4,980,227</b>   |                           |          |               | <b>28,698</b>                          | <b>4,951,529</b> |

The resolution of IVL ss PTE Limited, an indirect subsidiary of the Company, held on 25 August 2015 approved the issuance of debentures up to an amount not exceeding USD 140 million equivalent in Singapore dollars.

On 7 October 2015, IVL Singapore PTE Limited issued the Senior Unsecured Debenture of SGD 195 million (equivalent to USD 138 million) to institutional investors in Singapore. The debenture has a maturity of 10 years, with coupon rate of 3.73% per annum. The debenture is guaranteed by Credit Guarantee & Investment Facility, a trust fund of the Asian Development Bank and listed on the SGX-ST.

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

|              | Consolidated financial statements |                   | Separate financial statements |                   |
|--------------|-----------------------------------|-------------------|-------------------------------|-------------------|
|              | 2015                              | 2014              | 2015                          | 2014              |
|              | (in thousand Baht)                |                   |                               |                   |
| THB          | 35,315,929                        | 34,151,570        | 34,221,412                    | 33,093,238        |
| USD          | 33,825,278                        | 29,022,261        | 3,715,536                     | 188,842           |
| EUR          | 9,569,529                         | 9,311,141         | 1,477,037                     | 1,607,247         |
| INR          | 2,645,214                         | -                 | -                             | -                 |
| CNY          | 1,895,821                         | -                 | -                             | -                 |
| GBP          | 354,431                           | 450,325           | -                             | -                 |
| NGN          | 54                                | -                 | -                             | -                 |
| TRY          | -                                 | 358,273           | -                             | -                 |
| <b>Total</b> | <b>83,606,256</b>                 | <b>73,293,570</b> | <b>39,413,985</b>             | <b>34,889,327</b> |

## 20 Trade accounts payable

|                 | Note | Consolidated financial statements |                   | Separate financial statements |          |
|-----------------|------|-----------------------------------|-------------------|-------------------------------|----------|
|                 |      | 2015                              | 2014              | 2015                          | 2014     |
|                 |      | (in thousand Baht)                |                   |                               |          |
| Related parties | 6    | 160,778                           | 119,517           | -                             | -        |
| Other parties   |      | 30,988,188                        | 27,644,693        | -                             | -        |
| <b>Total</b>    |      | <b>31,148,966</b>                 | <b>27,764,210</b> | <b>-</b>                      | <b>-</b> |

The currency denomination of trade accounts payable as at 31 December was as follows:

|                          | Consolidated financial statements |                   | Separate financial statements |          |
|--------------------------|-----------------------------------|-------------------|-------------------------------|----------|
|                          | 2015                              | 2014              | 2015                          | 2014     |
|                          | <i>(in thousand Baht)</i>         |                   |                               |          |
| USD                      | 20,537,398                        | 18,065,105        | -                             | -        |
| EUR                      | 4,397,497                         | 4,205,733         | -                             | -        |
| THB                      | 2,858,740                         | 2,596,507         | -                             | -        |
| IDR                      | 1,299,226                         | 147,723           | -                             | -        |
| CNY                      | 769,802                           | 1,073,056         | -                             | -        |
| DKK                      | 430,051                           | 687,205           | -                             | -        |
| MXN                      | 267,596                           | 423,887           | -                             | -        |
| PLN                      | 168,568                           | 119,076           | -                             | -        |
| TRY                      | 147,007                           | 201,891           | -                             | -        |
| INR                      | 115,770                           | -                 | -                             | -        |
| GBP                      | 92,329                            | 116,221           | -                             | -        |
| Australian Dollars (AUD) | 28,085                            | 38,407            | -                             | -        |
| NGN                      | 16,629                            | 4,173             | -                             | -        |
| PHP                      | 12,615                            | 6,217             | -                             | -        |
| JPY                      | 3,914                             | 2,876             | -                             | -        |
| CHF                      | 3,031                             | -                 | -                             | -        |
| GHC                      | 708                               | -                 | -                             | -        |
| LTL                      | -                                 | 75,890            | -                             | -        |
| SGD                      | -                                 | 243               | -                             | -        |
| <b>Total</b>             | <b>31,148,966</b>                 | <b>27,764,210</b> | <b>-</b>                      | <b>-</b> |

## 21 Other current liabilities

|                                     | Consolidated financial statements |                  | Separate financial statements |                |
|-------------------------------------|-----------------------------------|------------------|-------------------------------|----------------|
|                                     | 2015                              | 2014             | 2015                          | 2014           |
|                                     | <i>(in thousand Baht)</i>         |                  |                               |                |
| Accrued operating expenses          | 2,657,064                         | 2,195,290        | 19,954                        | 9,800          |
| Materials price adjustments payable | 1,716,123                         | 1,299,533        | -                             | -              |
| Other payables                      | 1,135,598                         | 1,250,598        | -                             | -              |
| Advance from customers              | 888,164                           | 291,531          | -                             | -              |
| Interest payable                    | 403,398                           | 374,631          | 295,248                       | 279,696        |
| Value added tax payable             | 154,781                           | 128,158          | -                             | -              |
| Withholding tax payable             | 83,068                            | 48,647           | -                             | -              |
| Others                              | 893,703                           | 843,168          | 28,862                        | 3,120          |
| <b>Total</b>                        | <b>7,931,899</b>                  | <b>6,431,556</b> | <b>344,064</b>                | <b>292,616</b> |

## 22 Employee benefit obligations

|                                                                     | Consolidated financial statements |                  | Separate financial statements |          |
|---------------------------------------------------------------------|-----------------------------------|------------------|-------------------------------|----------|
|                                                                     | 2015                              | 2014             | 2015                          | 2014     |
|                                                                     | <i>(in thousand Baht)</i>         |                  |                               |          |
| <b>Statement of financial position obligations for:</b>             |                                   |                  |                               |          |
| Post-employment benefits                                            |                                   |                  |                               |          |
| Thailand legal severance plan                                       | 252,668                           | 129,050          | -                             | -        |
| Defined benefit plans established in Europe                         | 1,029,784                         | 1,125,235        | -                             | -        |
| Defined benefit plans established in rest of the world              | 496,405                           | 479,634          | -                             | -        |
| Other long-term employee benefits                                   | 16,649                            | 21,077           | -                             | -        |
| <b>Total</b>                                                        | <b>1,795,506</b>                  | <b>1,754,996</b> | <b>-</b>                      | <b>-</b> |
| <b>Year ended 31 December</b>                                       |                                   |                  |                               |          |
| <b>Statement of income:</b>                                         |                                   |                  |                               |          |
| <b>Recognised in profit or loss:</b>                                |                                   |                  |                               |          |
| Post-employment benefits                                            |                                   |                  |                               |          |
| Thailand legal severance plan                                       | 93,572                            | (78,671)         | -                             | -        |
| Defined benefit plans established in Europe                         | 164,168                           | 133,728          | -                             | -        |
| Defined benefit plans established in rest of the world              | 60,203                            | 61,475           | -                             | -        |
| Other long-term employee benefits                                   | (469)                             | 6,954            | -                             | -        |
| <b>Total</b>                                                        | <b>317,474</b>                    | <b>123,486</b>   | <b>-</b>                      | <b>-</b> |
| <b>Recognised in other comprehensive income:</b>                    |                                   |                  |                               |          |
| Remeasurement loss (gain):                                          |                                   |                  |                               |          |
| Actuarial loss (gain)                                               | (274,294)                         | 740,580          | -                             | -        |
| Return on plan assets excluding amounts included in interest income | 140,540                           | (327,225)        | -                             | -        |
| Other                                                               | (993)                             | -                | -                             | -        |
| <b>Total</b>                                                        | <b>(134,747)</b>                  | <b>413,355</b>   | <b>-</b>                      | <b>-</b> |

### **Thailand legal severance plan and other long-term employee benefits**

The subsidiaries registered in Thailand provide employee benefit provisions based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The Group also provides post retirement medical plan as part of defined benefit plan and long service award plan as part of other long-term employee benefits to certain employees based on remuneration and length of service.

These defined benefit plans expose the Group to actuarial risks, such as interest rate risk.

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 13 years (2014:13 years).

The statement of financial position obligation was determined as follows:

|                                                   | Consolidated financial statements |                | Separate financial statements |          |
|---------------------------------------------------|-----------------------------------|----------------|-------------------------------|----------|
|                                                   | 2015                              | 2014           | 2015                          | 2014     |
|                                                   | <i>(in thousand Baht)</i>         |                |                               |          |
| Present value of unfunded obligations             | 269,317                           | 150,127        | -                             | -        |
| <b>Statement of financial position obligation</b> | <b>269,317</b>                    | <b>150,127</b> | <b>-</b>                      | <b>-</b> |

Movement in the present value of the defined benefit obligations

|                                                                      | Consolidated financial statements |                 | Separate financial statements |          |
|----------------------------------------------------------------------|-----------------------------------|-----------------|-------------------------------|----------|
|                                                                      | 2015                              | 2014            | 2015                          | 2014     |
|                                                                      | <i>(in thousand Baht)</i>         |                 |                               |          |
| Defined benefit obligations at 1 January                             | 150,127                           | 204,130         | -                             | -        |
| <b>Included in profit or loss:</b>                                   |                                   |                 |                               |          |
| Current service costs                                                | 20,926                            | 11,553          | -                             | -        |
| Past service costs                                                   | 68,030                            | (88,270)        | -                             | -        |
| Interest on obligation                                               | 6,687                             | 4,658           | -                             | -        |
| Actuarial (gain) losses for other long-term employee benefits        | (2,540)                           | 342             | -                             | -        |
|                                                                      | <b>93,103</b>                     | <b>(71,717)</b> | <b>-</b>                      | <b>-</b> |
| <b>Included in other comprehensive income</b>                        |                                   |                 |                               |          |
| Actuarial losses                                                     | 24,978                            | 28,598          | -                             | -        |
| <b>Others</b>                                                        |                                   |                 |                               |          |
| Defined benefit obligations assumed upon acquisition of subsidiaries | 5,911                             | -               | -                             | -        |
| Benefits paid by the plan                                            | (4,802)                           | (10,884)        | -                             | -        |
|                                                                      | <b>1,109</b>                      | <b>(10,884)</b> | <b>-</b>                      | <b>-</b> |
| <b>Defined benefit obligations at 31 December</b>                    | <b>269,317</b>                    | <b>150,127</b>  | <b>-</b>                      | <b>-</b> |

The expense is recognised in the following line items in the statement of income:

|                                     | Consolidated financial statements |                 | Separate financial statements |          |
|-------------------------------------|-----------------------------------|-----------------|-------------------------------|----------|
|                                     | 2015                              | 2014            | 2015                          | 2014     |
|                                     | <i>(in thousand Baht)</i>         |                 |                               |          |
| Cost of sale of goods               | 56,383                            | (41,167)        | -                             | -        |
| Selling and administrative expenses | 36,720                            | (30,550)        | -                             | -        |
| <b>Total</b>                        | <b>93,103</b>                     | <b>(71,717)</b> | <b>-</b>                      | <b>-</b> |

Actuarial gains and losses recognised in other comprehensive income arising from:

|                        | Consolidated financial statements |               | Separate financial statements |          |
|------------------------|-----------------------------------|---------------|-------------------------------|----------|
|                        | 2015                              | 2014          | 2015                          | 2014     |
|                        | <i>(in thousand Baht)</i>         |               |                               |          |
| Demographic assumption | (510)                             | -             | -                             | -        |
| Financial assumption   | 10,495                            | 14,470        | -                             | -        |
| Experience adjustment  | 15,043                            | 13,304        | -                             | -        |
| Others                 | (50)                              | 824           | -                             | -        |
| <b>Total</b>           | <b>24,978</b>                     | <b>28,598</b> | <b>-</b>                      | <b>-</b> |

#### **Defined benefit plans established in Europe**

The subsidiaries in Europe have established defined benefit plans that provide pension benefits for their employees upon retirement. The plans entitle a retired employee to receive an annual payment equal to 1/60 of final salary for each year of employment.

These defined benefit plans expose the Group to actuarial risks, such as currency risk, interest rate risk and market (investment) risk.

The Group expects to pay Baht 86 million in contributions to its defined benefit plans in 2016.

At 31 December 2015, the weighted-average duration of the defined benefit obligation were 6.15 to 30.00 years (2014: 20.73 to 29.00 years).

The statement of financial position obligation was determined as follows:

|                                                                       | Consolidated financial statements |                  | Separate financial statements |          |
|-----------------------------------------------------------------------|-----------------------------------|------------------|-------------------------------|----------|
|                                                                       | 2015                              | 2014             | 2015                          | 2014     |
|                                                                       | <i>(in thousand Baht)</i>         |                  |                               |          |
| Excess of present value of obligations over fair value of plan assets | 1,054,596                         | 1,229,789        | -                             | -        |
| Effect of movement in exchange rates                                  | (24,812)                          | (104,554)        | -                             | -        |
| <b>Statement of financial position obligation</b>                     | <b>1,029,784</b>                  | <b>1,125,235</b> | <b>-</b>                      | <b>-</b> |

Movement in the present value of the defined benefit obligations:

|                                          | Consolidated financial statements |         | Separate financial statements |      |
|------------------------------------------|-----------------------------------|---------|-------------------------------|------|
|                                          | 2015                              | 2014    | 2015                          | 2014 |
|                                          | <i>(in thousand Baht)</i>         |         |                               |      |
| Defined benefit obligations at 1 January | 2,161,443                         | 808,969 | -                             | -    |

|                                                                      | Consolidated financial statements |                  | Separate financial statements |          |
|----------------------------------------------------------------------|-----------------------------------|------------------|-------------------------------|----------|
|                                                                      | 2015                              | 2014             | 2015                          | 2014     |
|                                                                      | (in thousand Baht)                |                  |                               |          |
| <b>Included in profit or loss:</b>                                   |                                   |                  |                               |          |
| Current service costs                                                | 146,782                           | 107,443          | -                             | -        |
| Past service costs                                                   | 877                               | -                | -                             | -        |
| Interest on obligation                                               | 48,448                            | 38,998           | -                             | -        |
| Actuarial losses                                                     | 2,567                             | 13,615           | -                             | -        |
|                                                                      | <b>198,674</b>                    | <b>160,056</b>   | <b>-</b>                      | <b>-</b> |
| <b>Included in other comprehensive income</b>                        |                                   |                  |                               |          |
| Actuarial (gain) losses                                              | (288,575)                         | 681,837          | -                             | -        |
| <b>Others</b>                                                        |                                   |                  |                               |          |
| Defined benefit obligations assumed upon acquisition of subsidiaries | 2,109                             | 692,829          | -                             | -        |
| Benefits paid by the plan                                            | (663)                             | (7,034)          | -                             | -        |
| Expected employees contribution                                      | 13,086                            | 15,217           | -                             | -        |
| Effect of movements in exchange rates                                | (36,899)                          | (190,431)        | -                             | -        |
|                                                                      | <b>(22,367)</b>                   | <b>510,581</b>   | <b>-</b>                      | <b>-</b> |
| <b>Defined benefit obligations at 31 December</b>                    | <b>2,049,175</b>                  | <b>2,161,443</b> | <b>-</b>                      | <b>-</b> |

Movement in the fair value of plan assets:

|                                                                     | Consolidated financial statements |                  | Separate financial statements |          |
|---------------------------------------------------------------------|-----------------------------------|------------------|-------------------------------|----------|
|                                                                     | 2015                              | 2014             | 2015                          | 2014     |
|                                                                     | (in thousand Baht)                |                  |                               |          |
| Fair value of plan assets at 1 January                              | 1,036,208                         | 557,676          | -                             | -        |
| <b>Included in profit or loss:</b>                                  |                                   |                  |                               |          |
| Interest income                                                     | 22,966                            | 21,694           | -                             | -        |
| <b>Included in other comprehensive income</b>                       |                                   |                  |                               |          |
| Return on plan assets excluding amounts included in interest income | (134,214)                         | 327,399          | -                             | -        |
| <b>Others</b>                                                       |                                   |                  |                               |          |
| Plan assets acquired upon acquisition of subsidiaries               | -                                 | 141,253          | -                             | -        |
| Expected plan participant contributions                             | 92,614                            | 74,740           | -                             | -        |
| Benefits paid by the plan                                           | 5,145                             | (677)            | -                             | -        |
| Contribution paid into plan                                         | 8,759                             | -                | -                             | -        |
| Effect of movements in exchange rates                               | (12,087)                          | (85,877)         | -                             | -        |
|                                                                     | <b>94,431</b>                     | <b>129,439</b>   | <b>-</b>                      | <b>-</b> |
| <b>Fair value of plan assets at 31 December</b>                     | <b>1,019,391</b>                  | <b>1,036,208</b> | <b>-</b>                      | <b>-</b> |
| <b>Statement of financial position obligations at 31 December</b>   | <b>1,029,784</b>                  | <b>1,125,235</b> | <b>-</b>                      | <b>-</b> |

The expense is recognised in the following line items in the statement of income:

|                         | Consolidated financial statements |                | Separate financial statements |          |
|-------------------------|-----------------------------------|----------------|-------------------------------|----------|
|                         | 2015                              | 2014           | 2015                          | 2014     |
|                         | <i>(in thousand Baht)</i>         |                |                               |          |
| Cost of sale of goods   | 139,544                           | 114,260        | -                             | -        |
| Administrative expenses | 24,624                            | 19,468         | -                             | -        |
| <b>Total</b>            | <b>164,168</b>                    | <b>133,728</b> | <b>-</b>                      | <b>-</b> |

Actuarial gain and losses recognised in other comprehensive income arising from:

|                        | Consolidated financial statements |                | Separate financial statements |          |
|------------------------|-----------------------------------|----------------|-------------------------------|----------|
|                        | 2015                              | 2014           | 2015                          | 2014     |
|                        | <i>(in thousand Baht)</i>         |                |                               |          |
| Demographic assumption | 31,753                            | 130,276        | -                             | -        |
| Financial assumption   | (359,467)                         | 515,125        | -                             | -        |
| Experience adjustment  | 39,139                            | 36,436         | -                             | -        |
| <b>Total</b>           | <b>(288,575)</b>                  | <b>681,837</b> | <b>-</b>                      | <b>-</b> |

#### **Plan assets**

Plan assets comprise the following:

|                             | Consolidated financial statements |                  | Separate financial statements |          |
|-----------------------------|-----------------------------------|------------------|-------------------------------|----------|
|                             | 2015                              | 2014             | 2015                          | 2014     |
|                             | <i>(in thousand Baht)</i>         |                  |                               |          |
| Equity securities           | 23,752                            | 20,297           | -                             | -        |
| Insurance contract          | 924,382                           | 942,332          | -                             | -        |
| Interest bearing securities | 71,257                            | 73,579           | -                             | -        |
| <b>Total</b>                | <b>1,019,391</b>                  | <b>1,036,208</b> | <b>-</b>                      | <b>-</b> |

#### **Defined benefit plans established in rest of the world**

The subsidiaries registered in Mexico have a defined benefit plan. The benefits are based on a flexible part which is covered by the subsidiaries and employees and a fixed part based on the years of service covered by the subsidiaries.

The subsidiaries registered in Indonesia provide defined benefit plan for their employees in accordance with Indonesian Labour Law No. 13/2003.

These defined benefit plans expose the Group to actuarial risks, such as currency risk, interest rate risk and market (investment) risk.

The Group expects to pay Baht 34 million in contributions to its defined benefit plans in 2016.

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 10.00 to 13.93 years (2014: 10.00 to 15.22 years).

The statement of financial position obligation was determined as follows:

|                                                                       | Consolidated financial statements |                | Separate financial statements |          |
|-----------------------------------------------------------------------|-----------------------------------|----------------|-------------------------------|----------|
|                                                                       | 2015                              | 2014           | 2015                          | 2014     |
|                                                                       | <i>(in thousand Baht)</i>         |                |                               |          |
| Excess of present value of obligations over fair value of plan assets | 516,823                           | 529,536        | -                             | -        |
| Effect of movements in exchange rates                                 | (20,418)                          | (49,902)       | -                             | -        |
| <b>Statement of financial position obligation</b>                     | <b>496,405</b>                    | <b>479,634</b> | <b>-</b>                      | <b>-</b> |

Movement in the present value of the defined benefit obligations:

|                                                                      | Consolidated financial statements |                 | Separate financial statements |          |
|----------------------------------------------------------------------|-----------------------------------|-----------------|-------------------------------|----------|
|                                                                      | 2015                              | 2014            | 2015                          | 2014     |
|                                                                      | <i>(in thousand Baht)</i>         |                 |                               |          |
| Defined benefit obligations at 1 January                             | 598,158                           | 586,091         | -                             | -        |
| <b>Included in profit or loss:</b>                                   |                                   |                 |                               |          |
| Current service costs                                                | 34,957                            | 35,138          | -                             | -        |
| Past service costs                                                   | (1,778)                           | -               | -                             | -        |
| Interest on obligation                                               | 30,649                            | 34,543          | -                             | -        |
| Actuarial (gain) losses                                              | 4,821                             | (507)           | -                             | -        |
|                                                                      | <b>68,649</b>                     | <b>69,174</b>   | <b>-</b>                      | <b>-</b> |
| <b>Included in other comprehensive income</b>                        |                                   |                 |                               |          |
| Actuarial (gain) losses                                              | (10,697)                          | 30,145          | -                             | -        |
| <b>Others</b>                                                        |                                   |                 |                               |          |
| Defined benefit obligations assumed upon acquisition of subsidiaries | -                                 | 125,810         | -                             | -        |
| Benefits paid by the plan                                            | (26,451)                          | (13,969)        | -                             | -        |
| Settlements                                                          | -                                 | (141,888)       | -                             | -        |
| Effect of movements in exchange rates                                | (11,228)                          | (57,205)        | -                             | -        |
|                                                                      | <b>(37,679)</b>                   | <b>(87,252)</b> | <b>-</b>                      | <b>-</b> |
| <b>Defined benefit obligations at 31 December</b>                    | <b>618,431</b>                    | <b>598,158</b>  | <b>-</b>                      | <b>-</b> |

Movement in the fair value of plan assets:

|                                                                     | Consolidated financial statements |                | Separate financial statements |          |
|---------------------------------------------------------------------|-----------------------------------|----------------|-------------------------------|----------|
|                                                                     | 2015                              | 2014           | 2015                          | 2014     |
|                                                                     | <i>(in thousand Baht)</i>         |                |                               |          |
| Fair value of plan assets at 1 January                              | 118,524                           | 79,696         | -                             | -        |
| <b>Included in profit or loss:</b>                                  |                                   |                |                               |          |
| Interest income                                                     | 8,446                             | 6,670          | -                             | -        |
| <b>Included in other comprehensive income</b>                       |                                   |                |                               |          |
| Return on plan assets excluding amounts included in interest income | (6,326)                           | (174)          | -                             | -        |
| <b>Others</b>                                                       |                                   |                |                               |          |
| Plan assets acquired upon acquisition of subsidiaries               | -                                 | 104,476        | -                             | -        |
| Contributions paid into the plan                                    | 21,837                            | 21,662         | -                             | -        |
| Benefits paid by the plan                                           | (29,645)                          | (86,503)       | -                             | -        |
| Effect of movements in exchange rates                               | 9,190                             | (7,303)        | -                             | -        |
|                                                                     | <b>1,382</b>                      | <b>32,332</b>  | <b>-</b>                      | <b>-</b> |
| <b>Fair value of plan assets at 31 December</b>                     | <b>122,026</b>                    | <b>118,524</b> | <b>-</b>                      | <b>-</b> |
| <b>Statement of financial position obligations at 31 December</b>   | <b>496,405</b>                    | <b>479,634</b> | <b>-</b>                      | <b>-</b> |

The expense is recognised in the following line items in the statement of income:

|                         | Consolidated financial statements |               | Separate financial statements |          |
|-------------------------|-----------------------------------|---------------|-------------------------------|----------|
|                         | 2015                              | 2014          | 2015                          | 2014     |
|                         | <i>(in thousand Baht)</i>         |               |                               |          |
| Cost of sale of goods   | 41,830                            | 33,227        | -                             | -        |
| Administrative expenses | 18,373                            | 28,248        | -                             | -        |
| <b>Total</b>            | <b>60,203</b>                     | <b>61,475</b> | <b>-</b>                      | <b>-</b> |

Actuarial gain and losses recognised in other comprehensive income arising from:

|                        | Consolidated financial statements |               | Separate financial statements |          |
|------------------------|-----------------------------------|---------------|-------------------------------|----------|
|                        | 2015                              | 2014          | 2015                          | 2014     |
|                        | <i>(in thousand Baht)</i>         |               |                               |          |
| Demographic assumption | 3,531                             | 4,572         | -                             | -        |
| Financial assumption   | (22,142)                          | 39,469        | -                             | -        |
| Experience adjustment  | 12,321                            | (14,848)      | -                             | -        |
| Others                 | (4,407)                           | 952           | -                             | -        |
| <b>Total</b>           | <b>(10,697)</b>                   | <b>30,145</b> | <b>-</b>                      | <b>-</b> |

### Plan assets

Plan assets comprise the following:

|                             | Consolidated financial statements |                | Separate financial statements |          |
|-----------------------------|-----------------------------------|----------------|-------------------------------|----------|
|                             | 2015                              | 2014           | 2015                          | 2014     |
|                             | <i>(in thousand Baht)</i>         |                |                               |          |
| Equity securities           | 93,690                            | 85,311         | -                             | -        |
| Government bonds            | 12,837                            | 15,477         | -                             | -        |
| Interest bearing securities | 15,437                            | 17,521         | -                             | -        |
| Others                      | 62                                | 215            | -                             | -        |
| <b>Total</b>                | <b>122,026</b>                    | <b>118,524</b> | <b>-</b>                      | <b>-</b> |

### Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

|                                                               | Consolidated financial statements |           | Separate financial statements |      |
|---------------------------------------------------------------|-----------------------------------|-----------|-------------------------------|------|
|                                                               | 2015                              | 2014      | 2015                          | 2014 |
|                                                               | <i>(%)</i>                        |           | <i>(%)</i>                    |      |
| <b>Thailand legal severance plan</b>                          |                                   |           |                               |      |
| Discount rate                                                 | 2.8                               | 3.20      | -                             | -    |
| Future salary increases                                       | 4.00-6.00                         | 5.00-6.00 | -                             | -    |
| <b>Defined benefit plans established in Europe</b>            |                                   |           |                               |      |
| Discount rate                                                 | 2.50-10.50                        | 2.40-3.88 | -                             | -    |
| Expected return on plan assets                                | 2.50-3.00                         | 2.25-3.88 | -                             | -    |
| Future salary increases                                       | 1.50-5.00                         | 1.50-2.50 | -                             | -    |
| <b>Defined benefit plans established in rest of the world</b> |                                   |           |                               |      |
| Discount rate                                                 | 4.50-9.00                         | 4.00-8.25 | -                             | -    |
| Expected return on plan assets                                | 6.25-7.00                         | 6.00-7.25 | -                             | -    |
| Future salary increases                                       | 4.75-8.00                         | 4.75-8.00 | -                             | -    |

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

|                                                    | Consolidated financial statements |          | Separate financial statements |          |
|----------------------------------------------------|-----------------------------------|----------|-------------------------------|----------|
|                                                    | (in million Baht)                 |          |                               |          |
| <i>Thailand legal severance plan</i>               |                                   |          |                               |          |
| Defined benefit obligation 31 December 2015        | Increase                          | Decrease | Increase                      | Decrease |
| Discount rate (0.5% movement)                      | (13)                              | 14       | -                             | -        |
| Future salary increases (0.5% movement)            | 14                                | (13)     | -                             | -        |
| <i>Defined benefit plans established in Europe</i> |                                   |          |                               |          |
| Defined benefit obligation 31 December 2015        | Increase                          | Decrease | Increase                      | Decrease |
| Discount rate (0.5% movement)                      | (235)                             | 277      | -                             | -        |
| Expected return on plan assets (0.5% movement)     | (101)                             | 120      | -                             | -        |
| Future salary increases (0.5% movement)            | 26                                | (25)     | -                             | -        |

|                                                        | Consolidated financial statements |          | Separate financial statements |          |
|--------------------------------------------------------|-----------------------------------|----------|-------------------------------|----------|
|                                                        | (in million Baht)                 |          |                               |          |
| Defined benefit plans established in rest of the world |                                   |          |                               |          |
| Defined benefit obligation 31 December 2015            | Increase                          | Decrease | Increase                      | Decrease |
| Discount rate (0.5% movement)                          | (27)                              | 28       | -                             | -        |
| Expected return on plan assets (0.5% movement)         | (1)                               | 1        | -                             | -        |
| Future salary increases (0.5% movement)                | 16                                | (15)     | -                             | -        |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## 23 Share capital and warrants

Movements of share capital and premium on ordinary shares during the year ended 31 December is as follow:

|                                               |                                     | Consolidated and Separate financial statements |           |                                  |           |
|-----------------------------------------------|-------------------------------------|------------------------------------------------|-----------|----------------------------------|-----------|
|                                               | Par value<br>per share<br>(in Baht) | Authorised share capital                       |           | Issued and paid-up share capital |           |
|                                               |                                     | Number                                         | Amount    | Number                           | Amount    |
|                                               |                                     | (thousand shares / thousand Baht)              |           |                                  |           |
| At 1 January 2014                             |                                     |                                                |           |                                  |           |
| - ordinary shares                             | 1                                   | 4,815,857                                      | 4,815,857 | 4,814,257                        | 4,814,257 |
| Reduction of the authorised share capital     | 1                                   | (1,600)                                        | (1,600)   | -                                | -         |
| Increase of the authorised share capital      | 1                                   | 851,753                                        | 851,753   | -                                | -         |
| <b>At 31 December 2014 and 1 January 2015</b> |                                     |                                                |           |                                  |           |
| - ordinary shares                             | 1                                   | 5,666,010                                      | 5,666,010 | 4,814,257                        | 4,814,257 |
| Exercise of warrants                          |                                     | -                                              | -         | 15                               | 15        |
| <b>At 31 December 2015</b>                    |                                     |                                                |           |                                  |           |
| - ordinary shares                             |                                     | 5,666,010                                      | 5,666,010 | 4,814,272                        | 4,814,272 |

At the extraordinary general meeting of shareholders held on 6 August 2014, the shareholders approved the following resolutions:

- The reduction in the authorised share capital from Baht 4,815,856,719 to Baht 4,814,257,245 by cancelling registered capital in the amount of Baht 1,599,474 (divided into 1,599,474 shares at Baht 1.00 par value).
- The increase in the authorised share capital from Baht 4,814,257,245 to Baht 5,666,010,449 by issuing 851,753,204 newly issued ordinary shares with a par value of Baht 1.00 per shares to accommodate the exercise of the IVL Warrants.

The registration of the reduction and the increase of authorised share capital was approved by the Business Development Department, Ministry of Commerce on 8 August 2014.

- The issue of warrants in two series to purchase the newly issued ordinary shares of the Company as follows:
  - The warrants no.1 (the "IVL-W1 Warrants") in the number of up to 481,425,724 units, to be allocated to the existing shareholders of the Company pro rata to their respective shareholdings (Right Offering), at no cost, at the allocation ratio of every 10 existing shares for 1 unit of IVL-W1 Warrants. The term of IVL-W1 Warrants will be 3 years from the issuance date and the exercise price will be at Baht 36.00 per share.
  - The warrant no.2 (the "IVL-W2 Warrants") in the number of up to 370,327,480 units, to be allocated to the existing shareholders of the Company pro rata to their respective shareholdings (Right Offering), at no cost, at the allocation ratio of every 13 existing shares for 1 unit of IVL-W2 Warrants. The term of IVL-W2 Warrants will be 4 years from the issuance date and the exercise price will be at Baht 43.00 per share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

### ***Exercised of IVL-W1***

During the year ended 31 December 2015, IVL-W1 were exercised and registered as paid-up share capital of 14,870 shares (equivalent to Baht 14,870) with proceeds of Baht 0.53 million. The Company registered the aforesaid increase of new paid-up shares with the Ministry of Commerce on 14 May 2015 and 9 November 2015.

Movements of share warrants IVL-W1 during the year ended 31 December 2015 are as follows:

|                                            | <i>(in thousand unit)</i> |
|--------------------------------------------|---------------------------|
| <b>Warrants issued at 1 January 2015</b>   | <b>481,425</b>            |
| <i>Less: Exercised during the year</i>     | <i>15</i>                 |
| <b>Warrants issued at 31 December 2015</b> | <b>481,410</b>            |

### ***Share premium***

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription money received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

## **24 Reserves**

Reserves comprise:

### ***Appropriations of profit and/or retained earnings***

#### ***Legal reserve***

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

#### ***Other components of equity***

#### ***Currency translation differences***

The currency transaction differences account within equity relate to foreign currency differences arising from the translation of the financial statements of foreign operations to Thai Baht, foreign exchange differences arising from transaction of intercompany loans considered as part of net investment in foreign operations as well as from the cumulative net change in the fair value of hedge of net investment in foreign operation that hedge the Group's net investment in a foreign operation.

#### ***Revaluation surplus***

The revaluation surplus account within equity comprises the cumulative net changes in the valuation of machinery and equipment related to textile production until such machinery and equipment is sold or otherwise disposed off. The revaluation surplus is not available for dividend distribution.

#### ***Hedging reserve***

The hedging reserve account within equity comprises the cumulative net change in the fair value of cash flow hedges related to hedge transactions that have not yet occurred.

#### ***Excess of book value of acquired subsidiaries over cost/ (cost over book value)***

The excess of book value of acquired subsidiaries over cost/ (cost over book value) represent the differences between book value and cost of investment as of the date of acquisition of additional shares of certain existing subsidiaries and have been recorded as a reserve. It is non-distributable and will be retained until the respective investment in shares of subsidiaries are sold or otherwise disposed off.

### ***Differences arising from common control transactions***

The differences arising from common control transactions represent the excess of the book values of certain entities or businesses under common control over their cost as of the date of their acquisition and have been recorded as a reserve. It is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed off.

### ***Movements in reserves***

Movements in reserves are shown in the statements of changes in equity.

## **25 Subordinated perpetual debentures**

On 31 October 2014, the Company completed the issuance of Subordinated Perpetual Debentures ("Debentures") of Baht 15,000 million with bullet payment upon dissolution of the Company or upon the exercise of the Company's early redemption right per conditions as stipulated in the terms and conditions of the Debentures. The Debentures are unsecured and unconvertible. These Debentures bear interest which is calculated based on 5-year government bond yield adjusted with initial credit spread and coupon step-up as stipulated in the terms and conditions of the Debentures and is paid on a quarterly basis. However, the Company has the sole right to unconditionally defer interest and cumulative interest payments to Debentures holders without time and deferral amount limitation. If the Company defers the interest payment, the Company shall not redeem, reduce, cancel, acquire or buy-back for any consideration on any instrument or security issued by the Company which rank pari passu or junior to these Debentures and shall not declare and make any dividend payment.

These Debentures of Baht 14,874 million, net of issuance cost of Baht 125.9 million are recognised as a part of equity in the consolidated and separate statements of financial position as at 31 December 2015 and 2014.

## **26 Segments information**

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker ("CODM") reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- |           |                                                                                                                 |
|-----------|-----------------------------------------------------------------------------------------------------------------|
| Segment 1 | Manufacture and distribution of solid state polymerised chips, PET performs, closures and blown bottles ("PET") |
| Segment 2 | Manufacture and distribution of purified terephthalic acid ("PTA"), glycol and other feedstocks ("Feedstock")   |
| Segment 3 | Manufacture and distribution of fibers and yarns ("Fibers and yarns")                                           |

There are varying levels of integration between the Segment 1, Segment 2 and Segment 3 reportable segments. This integration includes sales of finished goods. Inter-segment pricing is determined on an arm's length basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

|                                                              | Consolidated financial statements |                    |                   |                   |                   |                   |                     |                     |                    |                    |
|--------------------------------------------------------------|-----------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|--------------------|--------------------|
|                                                              | PET                               |                    | Feedstock         |                   | Fibers & yarns    |                   | Eliminations        |                     | Total              |                    |
|                                                              | 2015                              | 2014               | 2015              | 2014              | 2015              | 2014              | 2015                | 2014                | 2015               | 2014               |
|                                                              | <i>(in thousand Baht)</i>         |                    |                   |                   |                   |                   |                     |                     |                    |                    |
| Revenue from sale of goods                                   | 130,640,614                       | 144,910,566        | 30,921,754        | 28,822,860        | 73,135,581        | 70,173,792        | -                   | -                   | 234,697,949        | 243,907,218        |
| External revenue                                             | 1,193,404                         | 210,155            | 29,038,721        | 35,653,903        | 83,249            | 100,174           | (30,315,374)        | (35,964,232)        | -                  | -                  |
| Inter-segment revenue                                        | 131,834,018                       | 145,120,721        | 59,960,475        | 64,476,763        | 73,218,830        | 70,273,966        | (30,315,374)        | (35,964,232)        | 234,697,949        | 243,907,218        |
| Total revenue from sale of goods                             | 73,894                            | 113,654            | 47,693            | 3,685             | 61,883            | 95,897            | (150,455)           | (260,852)           | 33,015             | (47,616)           |
| Interest income                                              | (159,647)                         | 158,726            | (62,584)          | 172,192           | 79,929            | 165,092           | 442,869             | 358,044             | 300,567            | 854,054            |
| Net foreign exchange gain (loss)                             | 1,166,782                         | 582,808            | 2,458,906         | -                 | -                 | 1,087,082         | -                   | -                   | 3,625,688          | 1,669,890          |
| Gain on a bargain purchases                                  | -                                 | 140,000            | -                 | -                 | -                 | -                 | -                   | -                   | -                  | 140,000            |
| Impact of flooding, net                                      | -                                 | -                  | -                 | -                 | -                 | -                 | -                   | -                   | -                  | -                  |
| Unallocated revenue                                          | -                                 | -                  | -                 | -                 | -                 | -                 | -                   | -                   | 1,476,358          | 1,213,321          |
| <b>Total revenue</b>                                         | <b>132,915,047</b>                | <b>146,115,909</b> | <b>62,404,490</b> | <b>64,652,640</b> | <b>73,360,642</b> | <b>71,622,037</b> | <b>(30,022,960)</b> | <b>(35,867,040)</b> | <b>240,133,577</b> | <b>247,736,867</b> |
| Cost of sale of goods                                        | 117,411,875                       | 131,031,469        | 50,558,172        | 57,555,068        | 62,189,909        | 62,048,944        | (28,093,723)        | (34,923,754)        | 202,066,233        | 215,711,727        |
| Selling and administrative expenses                          | 8,102,343                         | 7,758,596          | 3,123,905         | 2,121,069         | 5,207,267         | 4,839,313         | (739,159)           | (478,746)           | 15,694,356         | 14,240,232         |
| Depreciation and amortisation                                | 3,194,750                         | 2,870,751          | 3,823,039         | 3,509,332         | 2,282,843         | 1,516,087         | -                   | -                   | 9,300,632          | 7,896,170          |
| Unallocated expenses                                         | -                                 | -                  | -                 | -                 | -                 | -                 | -                   | -                   | 408,851            | 1,392,305          |
| <b>Total expenses</b>                                        | <b>128,708,968</b>                | <b>141,660,816</b> | <b>57,505,116</b> | <b>63,185,469</b> | <b>69,680,019</b> | <b>68,404,344</b> | <b>(28,832,882)</b> | <b>(35,402,500)</b> | <b>227,470,072</b> | <b>239,240,434</b> |
| Share of profits (losses) of joint ventures, net             | (71,907)                          | (793,555)          | (261,638)         | (592,928)         | 91,380            | 30,428            | -                   | -                   | (242,165)          | (1,356,055)        |
| <b>Profit (loss) before interest and income tax expenses</b> | <b>4,134,172</b>                  | <b>3,661,538</b>   | <b>4,637,736</b>  | <b>874,243</b>    | <b>3,772,003</b>  | <b>3,248,121</b>  | <b>(1,190,078)</b>  | <b>(464,540)</b>    | <b>12,421,340</b>  | <b>7,140,378</b>   |
| Interest expense                                             | 1,788,888                         | 1,573,795          | 823,257           | 711,092           | 1,271,887         | 820,291           | (2,855,529)         | (2,206,253)         | 1,028,503          | 898,925            |
| Income tax expense                                           | 200,674                           | 396,382            | 1,005,168         | 1,071,302         | 442,298           | 364,673           | -                   | -                   | 1,648,140          | 1,832,357          |
| Unallocated items                                            | -                                 | -                  | -                 | -                 | -                 | -                 | -                   | -                   | 2,856,303          | 2,448,609          |
| <b>Profit (loss) for the year</b>                            | <b>2,144,610</b>                  | <b>1,691,361</b>   | <b>2,809,311</b>  | <b>(908,151)</b>  | <b>2,057,818</b>  | <b>2,063,157</b>  | <b>1,665,451</b>    | <b>1,741,713</b>    | <b>6,888,394</b>   | <b>1,960,487</b>   |

Information about reportable segments

| Consolidated financial statements                                      |                    |                   |                   |                   |                   |                   |                     |                     |                    |
|------------------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|--------------------|
|                                                                        | PET                |                   | Feedstock         |                   | Fibers & yarns    |                   | Eliminations        |                     | Total              |
|                                                                        | 2015               | 2014              | 2015              | 2014              | 2015              | 2014              | 2015                | 2014                |                    |
|                                                                        | (in thousand Baht) |                   |                   |                   |                   |                   |                     |                     |                    |
| Cash and cash equivalents                                              | 1,580,864          | 690,595           | 177,097           | 58,555            | 1,434,089         | 1,756,363         | -                   | -                   | 3,192,050          |
| Inventories                                                            | 14,750,402         | 14,932,691        | 5,187,666         | 3,451,422         | 12,081,150        | 10,947,159        | (233,585)           | (190,213)           | 31,785,633         |
| Property, plant and equipment                                          | 44,733,176         | 37,238,711        | 40,950,387        | 32,203,688        | 34,603,155        | 28,333,439        | -                   | -                   | 120,286,718        |
| Unallocated assets                                                     | -                  | -                 | -                 | -                 | -                 | -                 | -                   | -                   | 66,376,214         |
| <b>Total assets</b>                                                    | <b>61,064,442</b>  | <b>52,861,997</b> | <b>46,315,150</b> | <b>35,713,665</b> | <b>48,118,394</b> | <b>41,036,961</b> | <b>(233,585)</b>    | <b>(190,213)</b>    | <b>221,640,615</b> |
| Interest-bearing liabilities                                           | 34,577,987         | 31,492,313        | 20,733,200        | 14,468,256        | 25,208,642        | 20,131,297        | (59,192,700)        | (50,064,276)        | 21,327,129         |
| Unallocated liabilities                                                | -                  | -                 | -                 | -                 | -                 | -                 | -                   | -                   | 117,360,524        |
| <b>Total liabilities</b>                                               | <b>34,577,987</b>  | <b>31,492,313</b> | <b>20,733,200</b> | <b>14,468,256</b> | <b>25,208,642</b> | <b>20,131,297</b> | <b>(59,192,700)</b> | <b>(50,064,276)</b> | <b>138,687,653</b> |
| Capital expenditure and investments                                    | 3,555,937          | 3,927,805         | 14,804,815        | 2,966,267         | 8,011,809         | 6,801,786         | -                   | -                   | 26,372,561         |
| Depreciation                                                           | 2,929,453          | 2,606,290         | 3,446,730         | 3,174,697         | 1,947,463         | 1,327,238         | -                   | -                   | 8,323,646          |
| Amortisation                                                           | 265,297            | 264,461           | 376,309           | 334,635           | 335,380           | 188,849           | -                   | -                   | 976,986            |
| Loss (gain) on disposal and write-off of property, plant and equipment | 126,025            | 68,167            | 3,431             | 18                | (18,138)          | (3,717)           | -                   | -                   | 111,318            |
|                                                                        |                    |                   |                   |                   |                   |                   |                     |                     | 64,468             |

### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The Group operates in the following main geographical areas:

|           |                   |
|-----------|-------------------|
| Segment 1 | Thailand          |
| Segment 2 | North America     |
| Segment 3 | Europe            |
| Segment 4 | Rest of the world |

|                   | Consolidated financial statements |                    |                    |                    |                                     |                   |
|-------------------|-----------------------------------|--------------------|--------------------|--------------------|-------------------------------------|-------------------|
|                   | Revenue from sale of goods        |                    | Segment assets     |                    | Capital expenditure and investments |                   |
|                   | 2015                              | 2014               | 2015               | 2014               | 2015                                | 2014              |
|                   | <i>(in thousand Baht)</i>         |                    |                    |                    |                                     |                   |
| Thailand          | 14,783,380                        | 15,052,838         | 37,821,493         | 49,249,438         | 2,459,575                           | 2,513,465         |
| North America     | 83,022,919                        | 84,360,921         | 75,067,864         | 59,150,014         | 12,385,615                          | 1,136,437         |
| Europe            | 70,624,144                        | 70,657,512         | 56,674,119         | 52,364,944         | 4,171,785                           | 7,436,022         |
| Rest of the world | 66,267,506                        | 73,835,947         | 52,077,139         | 33,769,301         | 7,358,523                           | 2,639,599         |
| <b>Total</b>      | <b>234,697,949</b>                | <b>243,907,218</b> | <b>221,640,615</b> | <b>194,533,697</b> | <b>26,375,498</b>                   | <b>13,725,523</b> |

## 27 Other income

|                 | Consolidated financial statements |                  | Separate financial statements |                |
|-----------------|-----------------------------------|------------------|-------------------------------|----------------|
|                 | 2015                              | 2014             | 2015                          | 2014           |
|                 | <i>(in thousand Baht)</i>         |                  |                               |                |
| Insurance claim | 1,008,936                         | 753,840          | -                             | -              |
| Others          | 585,819                           | 818,933          | 388,081                       | 215,650        |
| <b>Total</b>    | <b>1,594,755</b>                  | <b>1,572,773</b> | <b>388,081</b>                | <b>215,650</b> |

## 28 Cost of sale of goods

|                                                              | Consolidated financial statements |                    | Separate financial statements |          |
|--------------------------------------------------------------|-----------------------------------|--------------------|-------------------------------|----------|
|                                                              | 2015                              | 2014               | 2015                          | 2014     |
|                                                              | <i>(in thousand Baht)</i>         |                    |                               |          |
| Changes in inventories of finished goods and work in process | 3,565,584                         | 3,798,007          | -                             | -        |
| Raw materials and consumables used                           | 161,171,501                       | 178,675,674        | -                             | -        |
| Depreciation and amortisation                                | 8,296,671                         | 7,147,401          | -                             | -        |
| Others                                                       | 35,143,444                        | 32,248,073         | -                             | -        |
| <b>Total</b>                                                 | <b>208,177,200</b>                | <b>221,869,155</b> | <b>-</b>                      | <b>-</b> |

## 29 Selling expenses

|                               | Consolidated financial statements |                   | Separate financial statements |          |
|-------------------------------|-----------------------------------|-------------------|-------------------------------|----------|
|                               | 2015                              | 2014              | 2015                          | 2014     |
|                               | <i>(in thousand Baht)</i>         |                   |                               |          |
| Distribution                  | 9,527,679                         | 9,034,956         | -                             | -        |
| Depreciation and amortisation | 1,028,335                         | 751,183           | -                             | -        |
| Travelling expense            | 267,539                           | 222,231           | -                             | -        |
| Insurance expense             | 420,233                           | 319,465           | -                             | -        |
| Others                        | 1,199,688                         | 811,751           | -                             | -        |
| <b>Total</b>                  | <b>12,443,474</b>                 | <b>11,139,586</b> | <b>-</b>                      | <b>-</b> |

## 30 Administrative expenses

|                                                                 | Consolidated financial statements |                  | Separate financial statements |               |
|-----------------------------------------------------------------|-----------------------------------|------------------|-------------------------------|---------------|
|                                                                 | 2015                              | 2014             | 2015                          | 2014          |
|                                                                 | <i>(in thousand Baht)</i>         |                  |                               |               |
| Personnel expense                                               | 2,437,757                         | 2,210,136        | -                             | -             |
| Provision loss on unrecoverable advances<br>payment for project | 609,701                           | -                | 211,637                       | -             |
| Professional fees                                               | 732,674                           | 511,779          | 104,143                       | 38,824        |
| Others                                                          | 2,956,371                         | 2,675,522        | 13,249                        | 8,467         |
| <b>Total</b>                                                    | <b>6,736,503</b>                  | <b>5,397,437</b> | <b>329,029</b>                | <b>47,291</b> |

The Company entered into a joint venture agreement on 26 December 2013, with Abu Dhabi National Chemicals Company PJSC ("ChemaWEyaat"), a public joint stock company duly organized and existing under the laws of Abu Dhabi, UAE, to develop the Tacaamol Aromatics Plant on Madeenat ChemaWEyaat AL Gharbia's (MCAG) site in the western region of Abu Dhabi. IVL will hold 49% equity and Abu Dhabi National Chemicals Company PJSC will hold 51% equity in a new joint venture company which has yet to be incorporated.

During 2015, the Group and the Company have made a provision of Baht 609.7 million and Baht 211.6 million, respectively, in the Administrative expenses in the consolidated and separate statements of income for the year ended 31 December 2015, respectively, against advance payments for cost relating to this project which may not be recoverable.

## 31 Employee benefit expenses

|                                                                                                                 | Consolidated financial statements |               | Separate financial statements |               |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
|                                                                                                                 | 2015                              | 2014          | 2015                          | 2014          |
|                                                                                                                 | <i>(in thousand Baht)</i>         |               |                               |               |
| <b>Management</b>                                                                                               |                                   |               |                               |               |
| Wages and salaries                                                                                              | 59,716                            | 53,362        | -                             | -             |
| Contribution to defined contribution plans,<br>social security and expenses related to<br>defined benefit plans | 1,864                             | 4,648         | -                             | -             |
| Others                                                                                                          | 51,315                            | 32,164        | 17,881                        | 17,770        |
|                                                                                                                 | <b>112,895</b>                    | <b>90,174</b> | <b>17,881</b>                 | <b>17,770</b> |
| <b>Other employees</b>                                                                                          |                                   |               |                               |               |
| Wages and salaries                                                                                              | 10,804,362                        | 8,863,412     | -                             | -             |

|                                                                                                           | Consolidated financial statements |                   | Separate financial statements |               |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------|-------------------------------|---------------|
|                                                                                                           | 2015                              | 2014              | 2015                          | 2014          |
|                                                                                                           | <i>(in thousand Baht)</i>         |                   |                               |               |
| Contribution to defined contribution plans, social security and expenses related to defined benefit plans | 1,223,053                         | 929,311           | -                             | -             |
| Bonus                                                                                                     | 448,708                           | 290,984           | -                             | -             |
| Staff welfare                                                                                             | 1,446,857                         | 1,328,186         | -                             | -             |
| Others                                                                                                    | 34,882                            | 46,864            | -                             | -             |
|                                                                                                           | <b>13,957,862</b>                 | <b>11,458,757</b> | <b>-</b>                      | <b>-</b>      |
| <b>Total employee benefit expenses</b>                                                                    | <b>14,070,757</b>                 | <b>11,548,931</b> | <b>17,881</b>                 | <b>17,770</b> |

#### **Provident funds**

These defined contribution plans comprise provident funds established by subsidiaries of the Company for its Thai employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at the rate of 3 - 5% of their basic salaries and by the Company at the rate of 3 - 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager. Total expense recognised by the Thai entities for contribution plans for the year ended 31 December 2015 amounted to approximately Baht 20.3 million (2014: Baht 16.0 million).

#### **Employee retirement schemes**

Subsidiaries in United States established a 401(k) plan that allows eligible employees to contribute up to 60% of their compensation, with the Company matching 50% of employee contributions up to 6% of their compensation. The plan also allows discretionary profit sharing contributions to be made by management. Total expense recognised for the plan for the year ended 31 December 2015 amounted to approximately USD 2.6 million (Baht 90.5 million) (2014: USD 2.3 million (Baht 74.3 million)).

Subsidiaries in Europe established a defined contribution plan that provides benefits for its employees upon retirement. Total annual contribution by the employer to the plans is defined by the annual and risk premiums charged by the insurance company. Total expense recognised for the plans for the year ended 31 December 2015 was GBP 0.1 million and EUR 1.9 million (Baht 76.0 million) (2014: GBP 0.2 million and EUR 1.8 million (Baht 91.2 million)).

## **32 Expenses by nature**

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

|                                                              | Consolidated financial statements |             | Separate financial statements |      |
|--------------------------------------------------------------|-----------------------------------|-------------|-------------------------------|------|
|                                                              | 2015                              | 2014        | 2015                          | 2014 |
|                                                              | <i>(in thousand Baht)</i>         |             |                               |      |
| <b>Included in cost of sale of goods:</b>                    |                                   |             |                               |      |
| Changes in inventories of finished goods and work in process | 3,565,584                         | 3,798,007   | -                             | -    |
| Raw materials and consumables used                           | 161,171,501                       | 178,675,674 | -                             | -    |
| Employee benefits expense                                    | 11,520,105                        | 9,248,621   | -                             | -    |
| Depreciation and amortisation expense                        | 8,297,358                         | 7,147,401   | -                             | -    |
| <b>Included in selling and administrative expenses:</b>      |                                   |             |                               |      |
| Employee benefits expense                                    | 2,437,757                         | 2,210,136   | -                             | -    |
| Depreciation and amortisation expense                        | 1,028,335                         | 751,183     | -                             | -    |

### 33 Finance costs

|                                                                                          |      | Consolidated financial statements |           | Separate financial statements |           |
|------------------------------------------------------------------------------------------|------|-----------------------------------|-----------|-------------------------------|-----------|
|                                                                                          | Note | 2015                              | 2014      | 2015                          | 2014      |
|                                                                                          |      | (in thousand Baht)                |           |                               |           |
| Interest expense:                                                                        |      |                                   |           |                               |           |
| Related parties                                                                          | 6    | -                                 | -         | -                             | 1,850     |
| Financial institutions                                                                   |      | 3,786,636                         | 3,621,841 | 1,744,299                     | 1,771,994 |
|                                                                                          |      | 3,786,636                         | 3,621,841 | 1,744,299                     | 1,773,844 |
| Less: amount included in the cost of property,<br>plant and equipment under construction | 15   | (134,505)                         | (67,317)  | -                             | -         |
| Net                                                                                      |      | 3,652,131                         | 3,554,524 | 1,744,299                     | 1,773,844 |

### 34 Income tax expense

#### *Income tax recognised in profit or loss*

|                                                     |      | Consolidated financial statements |       | Separate financial statements |      |
|-----------------------------------------------------|------|-----------------------------------|-------|-------------------------------|------|
|                                                     | Note | 2015                              | 2014  | 2015                          | 2014 |
|                                                     |      | (in thousand Baht)                |       |                               |      |
| Current tax expense                                 |      |                                   |       |                               |      |
| Current year                                        |      | 818                               | 470   | -                             | -    |
| Adjustment for under (over) provided in prior years |      | 9                                 | [19]  | -                             | -    |
|                                                     |      | 827                               | 451   | -                             | -    |
| Deferred tax expense                                | 18   |                                   |       |                               |      |
| Movements in temporary differences                  |      | 1,054                             | 1,174 | 45                            | -    |
|                                                     |      | 1,054                             | 1,174 | 45                            | -    |
| Total income tax expense                            |      | 1,881                             | 1,625 | 45                            | -    |

#### *Income tax recognised in other comprehensive income*

|                                               | Consolidated financial statements |          |             |               |           |            |
|-----------------------------------------------|-----------------------------------|----------|-------------|---------------|-----------|------------|
|                                               | 2015                              |          |             | 2014          |           |            |
|                                               | Tax (expense)                     |          |             | Tax (expense) |           |            |
|                                               | Before tax                        | benefit  | Net of tax  | Before tax    | benefit   | Net of tax |
| <i>(in million Baht)</i>                      |                                   |          |             |               |           |            |
| Hedge of net investment in foreign operations | (144)                             | 29       | (115)       | 489           | (98)      | 391        |
| Cash flow hedges                              | (35)                              | 10       | (25)        | (35)          | 6         | (29)       |
| Defined benefit plan actuarial gains (losses) | 135                               | (38)     | 97          | (414)         | 125       | (289)      |
| <b>Total</b>                                  | <b>(44)</b>                       | <b>1</b> | <b>(43)</b> | <b>40</b>     | <b>33</b> | <b>73</b>  |

|                                               | Separate financial statements |           |              |               |             |            |
|-----------------------------------------------|-------------------------------|-----------|--------------|---------------|-------------|------------|
|                                               | 2015                          |           |              | 2014          |             |            |
|                                               | Tax (expense)                 |           |              | Tax (expense) |             |            |
|                                               | Before tax                    | benefit   | Net of tax   | Before tax    | benefit     | Net of tax |
|                                               | <i>(in million Baht)</i>      |           |              |               |             |            |
| Hedge of net investment in foreign operations | (144)                         | 29        | (115)        | 489           | (98)        | 391        |
| <b>Total</b>                                  | <b>(144)</b>                  | <b>29</b> | <b>(115)</b> | <b>489</b>    | <b>(98)</b> | <b>391</b> |

#### Reconciliation of effective tax rate

|                                                                                                                                       | Consolidated financial statements |                   |              |                   |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------|--------------|-------------------|
|                                                                                                                                       | 2015                              |                   | 2014         |                   |
|                                                                                                                                       | Rate (%)                          | (in million Baht) | Rate (%)     | (in million Baht) |
| Profit before income tax expense                                                                                                      |                                   | 8,769             |              | 3,586             |
| Income tax using the Thai corporation tax rate                                                                                        | 20.00                             | 1,754             | 20.00        | 717               |
| Income tax reduction - deferred                                                                                                       | (1.00)                            | (88)              | (0.11)       | (4)               |
| Effect of different tax rates in foreign jurisdictions                                                                                | 5.76                              | 505               | 19.69        | 706               |
| Income not subject to tax                                                                                                             | (8.08)                            | (709)             | (11.96)      | (429)             |
| Expenses not deductible for tax purposes                                                                                              | 0.73                              | 64                | 3.40         | 122               |
| Utilisation of previously unrecognised tax losses                                                                                     | (4.65)                            | (408)             | (12.49)      | (448)             |
| Recognition of previously unrecognised tax losses                                                                                     | (2.24)                            | (196)             | (2.62)       | (94)              |
| Current year losses for which no deferred tax asset was recognised                                                                    | 7.86                              | 689               | 26.74        | 959               |
| Under (over) provided in prior years                                                                                                  | 0.10                              | 9                 | (0.53)       | (19)              |
| Written-off unrecoverable deferred tax assets from loss carry forward                                                                 | 5.70                              | 500               | -            | -                 |
| Share of losses in joint ventures                                                                                                     | 0.55                              | 48                | 7.56         | 271               |
| Foreign exchange differences arising from transaction of intercompany loans considered as part of net investment in foreign operation | 3.99                              | 350               | (0.17)       | (6)               |
| Gain on bargain purchases                                                                                                             | (8.27)                            | (725)             | (9.31)       | (334)             |
| Change in recognition of temporary difference                                                                                         | 0.42                              | 37                | 6.47         | 232               |
| Others                                                                                                                                | 0.58                              | 51                | (1.35)       | (48)              |
| <b>Total</b>                                                                                                                          | <b>21.45</b>                      | <b>1,881</b>      | <b>45.32</b> | <b>1,625</b>      |

|                                                | Separate financial statements |                   |          |                   |
|------------------------------------------------|-------------------------------|-------------------|----------|-------------------|
|                                                | 2015                          |                   | 2014     |                   |
|                                                | Rate (%)                      | (in million Baht) | Rate (%) | (in million Baht) |
| Profit before income tax expense               |                               | 4,398             |          | 2,730             |
| Income tax using the Thai corporation tax rate | 20.00                         | 880               | 20.00    | 546               |
| Income not subject to tax                      | (19.00)                       | (836)             | (19.27)  | (526)             |
| Under provided in prior years                  | -                             | -                 | 0.04     | 1                 |
| Others                                         | 0.01                          | 1                 | (0.77)   | (21)              |
| <b>Total</b>                                   | <b>1.01</b>                   | <b>45</b>         | <b>-</b> | <b>-</b>          |

### Income tax reduction

Royal Decree No. 557 B.E. 2557 dated 10 November 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Company and the subsidiaries in Thailand have applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

## 35 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, certain subsidiaries incorporated in Thailand have been granted privileges by the Board of Investment at various times relating to their manufacturing of worsted wool yarn, wool top, purified terephthalic acid, polyethylene terephthalate resin, PET preforms and closures and amorphous resin ("promoted operations"). The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board of Investment;
- (b) exemption from payment of income tax on net profit from promoted operations for a period of eight years from the date on which income is deemed to first derive from such operations;
- (c) a 50% reduction in the normal income tax rate on the net profit derived from promoted operations for a period of five years, commencing from the expiry date in (b) above;
- (d) a five-year carry forward period for losses for tax purposes from promoted operations during the period in (b) above;
- (e) income exclusions and additional deductions in computing the taxable income for promoted operations during the period in (b) above;
- (f) exemption from income tax on dividend paid to the shareholders from the profit of the promoted operation during the corporate income tax exemption period; and
- (g) double deduction of the cost of transportation, electricity and water supply for corporate income tax purposes for a period of ten years, from the date on which income is deemed to first derive from promoted operations.

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

### Summary of revenue from promoted and non-promoted businesses:

|                           | Consolidated financial statements |                         |                   |                     |                         |                   |
|---------------------------|-----------------------------------|-------------------------|-------------------|---------------------|-------------------------|-------------------|
|                           | 2015                              |                         |                   | 2014                |                         |                   |
|                           | Promoted businesses               | Non-promoted businesses | Total (a)         | Promoted businesses | Non-promoted businesses | Total (a)         |
| <i>(in thousand Baht)</i> |                                   |                         |                   |                     |                         |                   |
| Export sales              | 6,697,834                         | 22,131,865              | 28,829,699        | 10,513,570          | 24,091,532              | 34,605,102        |
| Local sales               | 10,323,240                        | 24,501,773              | 34,825,013        | 14,166,980          | 26,328,754              | 40,495,734        |
| <b>Total revenue</b>      | <b>17,021,074</b>                 | <b>46,633,638</b>       | <b>63,654,712</b> | <b>24,680,550</b>   | <b>50,420,826</b>       | <b>75,100,836</b> |

- (a) excluding revenues from foreign subsidiaries and inter-company eliminations.

## 36 Earnings per share

The calculations of basic and diluted earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to ordinary shareholders of the Company less coupon payment on subordinated perpetual debentures and the number of ordinary shares outstanding during the years as follows:

|                                                                | Consolidated financial statements           |                  | Separate financial statements |                  |
|----------------------------------------------------------------|---------------------------------------------|------------------|-------------------------------|------------------|
|                                                                | 2015                                        | 2014             | 2015                          | 2014             |
|                                                                | <i>(in thousand Baht / thousand shares)</i> |                  |                               |                  |
| Profit attributable to shareholders of the Company             | 6,609,264                                   | 1,675,061        | 4,353,743                     | 2,729,753        |
| Less: coupon payment on subordinated perpetual debentures      | (840,000)                                   | (142,685)        | (840,000)                     | (142,685)        |
| <b>Profit used in calculations of earnings per share</b>       | <b>5,769,264</b>                            | <b>1,532,376</b> | <b>3,513,743</b>              | <b>2,587,068</b> |
| <b>Weighted average number of ordinary shares outstanding</b>  | <b>4,814,267</b>                            | <b>4,814,257</b> | <b>4,814,267</b>              | <b>4,814,257</b> |
| <b>Earnings per share (basic and diluted) <i>(in Baht)</i></b> | <b>1.20</b>                                 | <b>0.32</b>      | <b>0.73</b>                   | <b>0.54</b>      |

The management considered that the basic and diluted earnings per share for the year ended 31 December 2015 are the same because the exercise prices of the Company's warrants were higher than the average market price of the ordinary shares for the year ended 31 December 2015.

### 37 Dividends

At the meeting of the board of directors of the Company held on 7 August 2015, the board of directors approved the appropriation of interim dividend of Baht 0.24 per share, amounting to Baht 1,155.4 million. The dividend was paid to shareholders in September 2015.

At the annual general meeting of the shareholders of the Company held on 24 April 2015, the shareholders approved the appropriation of dividend of Baht 0.19 per share, amounting to Baht 914.7 million. The dividend was paid to shareholders in May 2015.

At the meeting of the board of directors of the Company held on 8 August 2014, the board of directors approved the appropriation of an interim dividend of Baht 0.19 per share, amounting to Baht 914.7 million. The dividend was paid to shareholders in September 2014.

At the annual general meeting of the shareholders of the Company held on 24 April 2014, the shareholders approved the appropriation of a dividend of Baht 0.14 per share, amounting to Baht 674.0 million. The dividend was paid to shareholders in May 2014.

### 38 Financial instruments

#### *Financial risk management policies*

The Group/Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group/Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group/Company. The Group/Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's/Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

#### *Capital Management*

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding minority interests and also monitor the level of dividends to ordinary shareholders.

### Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's/Company's operations and its cash flows. The Group/Company is primarily exposed to interest rate risk from its borrowings (see Note 19). The Group/Company mitigates this risk by using derivative financial instruments, principally interest rates swaps, to manage exposure to fluctuations in interest rates on borrowings.

The effective interest rates of loans to related parties as at 31 December and the periods in which the loans mature were as follows:

|                                     |                         | Consolidated financial statements |                                 |               |                |
|-------------------------------------|-------------------------|-----------------------------------|---------------------------------|---------------|----------------|
|                                     | Effective interest rate | Within 1 year                     | After 1 year but within 5 years | After 5 years | Total          |
|                                     | (% per annum)           | (in thousand Baht)                |                                 |               |                |
| <b>2015</b>                         |                         |                                   |                                 |               |                |
| <b>Current</b>                      |                         |                                   |                                 |               |                |
| Short-term loans to related parties | 1.32-5.38               | 265,561                           | -                               | -             | 265,561        |
| <b>Non-current</b>                  |                         |                                   |                                 |               |                |
| Long-term loans to related parties  | 1.32-2.40               | -                                 | 165,441                         | -             | 165,441        |
| <b>Total</b>                        |                         | <b>265,561</b>                    | <b>165,441</b>                  | <b>-</b>      | <b>431,002</b> |
| <b>2014</b>                         |                         |                                   |                                 |               |                |
| <b>Current</b>                      |                         |                                   |                                 |               |                |
| Short-term loans to related parties | 1.32-2.40               | 75,145                            | -                               | -             | 75,145         |
| <b>Non-current</b>                  |                         |                                   |                                 |               |                |
| Long-term loans to related parties  | 1.32-3.41               | -                                 | 164,125                         | -             | 164,125        |
| <b>Total</b>                        |                         | <b>75,145</b>                     | <b>164,125</b>                  | <b>-</b>      | <b>239,270</b> |

|                                     |                         | Separate financial statements |                                 |                   |                   |
|-------------------------------------|-------------------------|-------------------------------|---------------------------------|-------------------|-------------------|
|                                     | Effective interest rate | Within 1 year                 | After 1 year but within 5 years | After 5 years     | Total             |
|                                     | (% per annum)           | (in thousand Baht)            |                                 |                   |                   |
| <b>2015</b>                         |                         |                               |                                 |                   |                   |
| <b>Current</b>                      |                         |                               |                                 |                   |                   |
| Short-term loans to related parties | 2.88-6.00               | 11,788,515                    | -                               | -                 | 11,788,515        |
| <b>Non-current</b>                  |                         |                               |                                 |                   |                   |
| Long-term loans to related parties  | 2.88-6.20               | -                             | -                               | 40,409,081        | 40,409,081        |
| <b>Total</b>                        |                         | <b>11,788,515</b>             | <b>-</b>                        | <b>40,409,081</b> | <b>52,197,596</b> |
| <b>2014</b>                         |                         |                               |                                 |                   |                   |
| <b>Current</b>                      |                         |                               |                                 |                   |                   |
| Short-term loans to related parties | 3.00-4.50               | 16,914,437                    | -                               | -                 | 16,914,437        |
| <b>Non-current</b>                  |                         |                               |                                 |                   |                   |
| Long-term loans to related parties  | 2.08-5.00               | -                             | -                               | 26,140,536        | 26,140,536        |
| <b>Total</b>                        |                         | <b>16,914,437</b>             | <b>-</b>                        | <b>26,140,536</b> | <b>43,054,973</b> |

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

|                                              | Consolidated financial statements |                   |                    |                   |                   |
|----------------------------------------------|-----------------------------------|-------------------|--------------------|-------------------|-------------------|
|                                              | Effective                         | Within 1 year     | After 1 year but   | After 5 years     | Total             |
|                                              | interest rate                     |                   | within 5 years     |                   |                   |
|                                              | (% per annum)                     |                   | (in thousand Baht) |                   |                   |
| <b>2015</b>                                  |                                   |                   |                    |                   |                   |
| <b>Current</b>                               |                                   |                   |                    |                   |                   |
| Bank overdrafts                              | 1.50-7.00                         | 620,550           | -                  | -                 | 620,550           |
| Short-term loans from financial institutions | 0.33-14.00                        | 11,494,459        | -                  | -                 | 11,494,459        |
| Long-term loans from financial institutions  | 1.83-12.50                        | 2,118,153         | -                  | -                 | 2,118,153         |
| Finance lease liabilities                    | 3.30-20.00                        | 8,440             | -                  | -                 | 8,440             |
| Debentures                                   | 3.73-6.00                         | 2,898,005         | -                  | -                 | 2,898,005         |
| <b>Non-current</b>                           |                                   |                   |                    |                   |                   |
| Long-term loans from financial institutions  | 1.83-12.50                        | -                 | 31,305,223         | 2,835,065         | 34,140,288        |
| Finance lease liabilities                    | 3.30-20.00                        | -                 | 15,994             | 357               | 16,351            |
| Debentures                                   | 3.73-6.00                         | -                 | 11,916,975         | 20,393,035        | 32,310,010        |
| <b>Total</b>                                 |                                   | <b>17,139,607</b> | <b>43,238,192</b>  | <b>23,228,457</b> | <b>83,606,256</b> |
| <b>2014</b>                                  |                                   |                   |                    |                   |                   |
| <b>Current</b>                               |                                   |                   |                    |                   |                   |
| Bank overdrafts                              | 0.25-7.75                         | 1,018,038         | -                  | -                 | 1,018,038         |
| Short-term loans from financial institutions | 0.93-10.75                        | 7,563,004         | -                  | -                 | 7,563,004         |
| Long-term loans from financial institutions  | 1.83-7.73                         | 4,426,228         | -                  | -                 | 4,426,228         |
| Finance lease liabilities                    | 3.30-7.54                         | 8,345             | -                  | -                 | 8,345             |
| <b>Non-current</b>                           |                                   |                   |                    |                   |                   |
| Long-term loans from financial institutions  | 1.83-7.73                         | -                 | 28,085,382         | 4,672,199         | 32,757,581        |
| Finance lease liabilities                    | 3.30-7.54                         | -                 | 21,418             | -                 | 21,418            |
| Debentures                                   | 4.00-6.00                         | -                 | 13,409,540         | 14,089,416        | 27,498,956        |
| <b>Total</b>                                 |                                   | <b>13,015,615</b> | <b>41,516,340</b>  | <b>18,761,615</b> | <b>73,293,570</b> |

| Separate financial statements                |                                          |               |                                 |               |            |
|----------------------------------------------|------------------------------------------|---------------|---------------------------------|---------------|------------|
|                                              | Effective interest rate<br>(% per annum) | Within 1 year | After 1 year but within 5 years | After 5 years | Total      |
| (in thousand Baht)                           |                                          |               |                                 |               |            |
| 2015                                         |                                          |               |                                 |               |            |
| Current                                      |                                          |               |                                 |               |            |
| Short-term loans from financial institutions | 1.90-1.91                                | 1,244,000     | -                               | -             | 1,244,000  |
| Long-term loans from financial institutions  | 1.83-4.19                                | 184,641       | -                               | -             | 184,641    |
| Debentures                                   | 3.92-6.00                                | 2,898,005     | -                               | -             | 2,898,005  |
| Non-current                                  |                                          |               |                                 |               |            |
| Long-term loans from financial institutions  | 1.83-4.19                                | -             | 5,934,331                       | 1,794,527     | 7,728,858  |
| Debentures                                   | 3.92-6.00                                | -             | 11,916,975                      | 15,441,506    | 27,358,481 |
| Total                                        |                                          | 4,326,646     | 17,851,306                      | 17,236,033    | 39,413,985 |
| 2014                                         |                                          |               |                                 |               |            |
| Current                                      |                                          |               |                                 |               |            |
| Long-term loans from financial institutions  | 1.83-4.47                                | 1,668,564     | -                               | -             | 1,668,564  |
| Non-current                                  |                                          |               |                                 |               |            |
| Long-term loans from financial institutions  | 1.83-4.47                                | -             | 5,246,926                       | 474,881       | 5,721,807  |
| Debentures                                   | 4.00-6.00                                | -             | 13,409,540                      | 14,089,416    | 27,498,956 |
| Total                                        |                                          | 1,668,564     | 18,656,466                      | 14,564,297    | 34,889,327 |

#### Foreign currency risk

The Group/Company is exposed to foreign currency risk relating to purchases and sales and borrowings which are denominated in foreign currencies. The Group/Company primarily utilises forward exchange contracts with maturities of less than one year to hedge certain financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at reporting date also relate to anticipated purchases and sales and borrowings, denominated in foreign currencies, for the subsequent period.

As at 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

|                                     |      | Consolidated financial statements |              | Separate financial statements |           |
|-------------------------------------|------|-----------------------------------|--------------|-------------------------------|-----------|
|                                     | Note | 2015                              | 2014         | 2015                          | 2014      |
|                                     |      | (in thousand Baht)                |              |                               |           |
| United States Dollars               |      |                                   |              |                               |           |
| Cash and cash equivalents           | 7    | 1,624,638                         | 1,651,639    | -                             | -         |
| Other investments                   | 8    | 172,420                           | 88,896       | -                             | 3,382     |
| Trade accounts receivable           | 9    | 18,463,708                        | 17,753,120   | -                             | -         |
| Short-term loans to related parties | 6    | 226,346                           | 59,904       | 3,953,028                     | 650,163   |
| Long-term loans to related parties  | 6    | 165,441                           | 140,093      | 825,261                       | 4,807,436 |
| Interest-bearing liabilities        | 19   | (33,825,278)                      | (29,022,261) | (3,715,536)                   | (188,842) |
| Trade accounts payable              | 20   | (20,537,398)                      | (18,065,105) | -                             | -         |
| Gross balance sheet exposure (a)    |      | (33,710,123)                      | (27,393,714) | 1,062,753                     | 5,272,139 |

|                                     |             | Consolidated financial statements |             | Separate financial statements |             |
|-------------------------------------|-------------|-----------------------------------|-------------|-------------------------------|-------------|
|                                     | <i>Note</i> | 2015                              | 2014        | 2015                          | 2014        |
|                                     |             | <i>(in thousand Baht)</i>         |             |                               |             |
| <i>Euro</i>                         |             |                                   |             |                               |             |
| Cash and cash equivalents           | 7           | 377,405                           | 380,509     | -                             | -           |
| Other investments                   | 8           | 25,569                            | 49,957      | -                             | 21,437      |
| Trade accounts receivable           | 9           | 2,991,658                         | 3,633,052   | -                             | -           |
| Short-term loans to related parties | 6           | 39,215                            | 15,241      | 1,689,474                     | 2,348,382   |
| Long-term loans to related parties  | 6           | -                                 | 24,032      | 1,821,166                     | 1,657,784   |
| Interest-bearing liabilities        | 19          | (9,569,529)                       | (9,311,141) | (1,477,037)                   | (1,607,247) |
| Trade accounts payable              | 20          | (4,397,497)                       | (4,205,733) | -                             | -           |
| Gross balance sheet exposure (a)    |             | (10,533,179)                      | (9,414,083) | 2,033,603                     | 2,420,356   |

(a) As at 31 December 2015, financial assets and liabilities denominated in USD and Euro of Baht 16,404.7 million (2014: 19,297.8 million) and Baht 8,682.7 million (2014: 6,199.4 million), respectively, pertain to subsidiaries located in the United States and Europe for which their functional currencies are USD and Euro, respectively. The Group's balance sheet exposure is mitigated to that extent.

|                              |      | Consolidated financial statements |           | Separate financial statements |      |
|------------------------------|------|-----------------------------------|-----------|-------------------------------|------|
|                              | Note | 2015                              | 2014      | 2015                          | 2014 |
|                              |      | (in thousand Baht)                |           |                               |      |
| <b>Pounds Sterling</b>       |      |                                   |           |                               |      |
| Cash and cash equivalents    | 7    | 46,768                            | 65,962    | -                             | -    |
| Trade accounts receivable    | 9    | 729,583                           | 612,227   | -                             | -    |
| Interest-bearing liabilities | 19   | (354,431)                         | (450,325) | -                             | -    |
| Trade accounts payable       | 20   | (92,329)                          | (116,221) | -                             | -    |
| Gross balance sheet exposure |      | 329,591                           | 111,643   | -                             | -    |
| <b>Lithuanian Litas</b>      |      |                                   |           |                               |      |
| Cash and cash equivalents    | 7    | 92                                | 737       | -                             | -    |
| Trade accounts receivable    | 9    | -                                 | 75,796    | -                             | -    |
| Trade accounts payable       | 20   | -                                 | (75,890)  | -                             | -    |
| Gross balance sheet exposure |      | 92                                | 643       | -                             | -    |
| <b>Japanese Yen</b>          |      |                                   |           |                               |      |
| Cash and cash equivalents    | 7    | 7,868                             | 46        | -                             | -    |
| Trade accounts receivable    | 9    | -                                 | 4,404     | -                             | -    |
| Trade accounts payable       | 20   | (3,914)                           | (2,876)   | -                             | -    |
| Gross balance sheet exposure |      | 3,954                             | 1,574     | -                             | -    |
| <b>Nigerian Naira</b>        |      |                                   |           |                               |      |
| Cash and cash equivalents    | 7    | 167,016                           | 18,946    | -                             | -    |
| Trade accounts receivable    | 9    | 150,168                           | 273,278   | -                             | -    |
| Interest-bearing liabilities | 19   | (54)                              | -         | -                             | -    |
| Trade accounts payable       | 20   | (16,629)                          | (4,173)   | -                             | -    |
| Gross balance sheet exposure |      | 300,501                           | 288,051   | -                             | -    |

|                              |      | Consolidated financial statements |             | Separate financial statements |      |
|------------------------------|------|-----------------------------------|-------------|-------------------------------|------|
|                              | Note | 2015                              | 2014        | 2015                          | 2014 |
|                              |      | (in thousand Baht)                |             |                               |      |
| Chinese Yuan                 |      |                                   |             |                               |      |
| Cash and cash equivalents    | 7    | 168,737                           | 71,215      | -                             | -    |
| Other investments            | 8    | 98,755                            | 80,499      | -                             | -    |
| Trade accounts receivable    | 9    | 1,060,391                         | 1,089,586   | -                             | -    |
| Interest-bearing liabilities | 19   | (1,895,821)                       | -           | -                             | -    |
| Trade accounts payable       | 20   | (769,802)                         | (1,073,056) | -                             | -    |
| Gross balance sheet exposure |      | (1,337,740)                       | 168,244     | -                             | -    |
| Mexican Peso                 |      |                                   |             |                               |      |
| Cash and cash equivalents    | 7    | 83,374                            | 15,868      | -                             | -    |
| Trade accounts receivable    | 9    | 265,696                           | 81,517      | -                             | -    |
| Trade accounts payable       | 20   | (267,596)                         | (423,887)   | -                             | -    |
| Gross balance sheet exposure |      | 81,474                            | (326,502)   | -                             | -    |
| Polish Zloty                 |      |                                   |             |                               |      |
| Cash and cash equivalents    | 7    | 111,668                           | 16,570      | -                             | -    |
| Other investments            | 8    | 350                               | 91          | -                             | -    |
| Trade accounts receivable    | 9    | 87,056                            | 15,195      | -                             | -    |
| Trade accounts payable       | 20   | (168,568)                         | (119,076)   | -                             | -    |
| Gross balance sheet exposure |      | 30,506                            | (87,220)    | -                             | -    |
| Indonesian Rupiah            |      |                                   |             |                               |      |
| Cash and cash equivalents    | 7    | 84,061                            | 32,825      | -                             | -    |
| Trade accounts receivable    | 9    | 1,059,578                         | 98,707      | -                             | -    |
| Trade accounts payable       | 20   | (1,299,226)                       | (147,723)   | -                             | -    |
| Gross balance sheet exposure |      | (155,587)                         | (16,191)    | -                             | -    |
| Swiss Franc                  |      |                                   |             |                               |      |
| Cash and cash equivalents    | 7    | 168                               | 371         | -                             | -    |
| Trade accounts payable       | 20   | (3,031)                           | -           | -                             | -    |
| Gross balance sheet exposure |      | (2,863)                           | 371         | -                             | -    |
| Australian Dollars           |      |                                   |             |                               |      |
| Trade accounts payable       | 20   | (28,085)                          | (38,407)    | -                             | -    |
| Gross balance sheet exposure |      | (28,085)                          | (38,407)    | -                             | -    |
| Singapore Dollars            |      |                                   |             |                               |      |
| Cash and cash equivalents    | 7    | 97                                | 10          | -                             | -    |
| Trade accounts payable       | 20   | -                                 | (243)       | -                             | -    |
| Gross balance sheet exposure |      | 97                                | (233)       | -                             | -    |
| Danish Krone                 |      |                                   |             |                               |      |
| Cash and cash equivalents    | 7    | 105,497                           | 84,868      | -                             | -    |
| Trade accounts payable       | 20   | (430,051)                         | (687,205)   | -                             | -    |
| Gross balance sheet exposure |      | (324,554)                         | (602,337)   | -                             | -    |

|                              |      | Consolidated financial statements |           | Separate financial statements |      |
|------------------------------|------|-----------------------------------|-----------|-------------------------------|------|
|                              | Note | 2015                              | 2014      | 2015                          | 2014 |
|                              |      | (in thousand Baht)                |           |                               |      |
| <b>Philippines Peso</b>      |      |                                   |           |                               |      |
| Cash and cash equivalents    | 7    | 7,350                             | 6,102     | -                             | -    |
| Trade accounts receivable    | 9    | 73,123                            | 117,598   | -                             | -    |
| Trade accounts payable       | 20   | (12,615)                          | (6,217)   | -                             | -    |
| Gross balance sheet exposure |      | 67,858                            | 117,483   | -                             | -    |
| <b>Ghanaian Cedi</b>         |      |                                   |           |                               |      |
| Cash and cash equivalents    | 7    | 3,413                             | 7,663     | -                             | -    |
| Trade accounts payable       | 20   | (708)                             | -         | -                             | -    |
| Gross balance sheet exposure |      | 2,705                             | 7,663     | -                             | -    |
| <b>Turkish Lira</b>          |      |                                   |           |                               |      |
| Cash and cash equivalents    | 7    | 151                               | 3,202     | -                             | -    |
| Trade accounts receivable    | 9    | 342,740                           | 314,165   | -                             | -    |
| Interest-bearing liabilities | 19   | -                                 | (358,273) | -                             | -    |
| Trade accounts payable       | 20   | (147,007)                         | (201,891) | -                             | -    |
| Gross balance sheet exposure |      | 195,884                           | (242,797) | -                             | -    |
| <b>Myanmar Kyat</b>          |      |                                   |           |                               |      |
| Cash and cash equivalents    | 7    | 16,519                            | -         | -                             | -    |
| Gross balance sheet exposure |      | 16,519                            | -         | -                             | -    |
| <b>Indian Rupee</b>          |      |                                   |           |                               |      |
| Cash and cash equivalents    | 7    | 307,151                           | -         | -                             | -    |
| Other investments            | 8    | 204,316                           | -         | -                             | -    |
| Trade accounts receivable    | 9    | 73,405                            | -         | -                             | -    |
| Interest-bearing liabilities | 19   | (2,645,214)                       | -         | -                             | -    |
| Trade accounts payable       | 20   | (115,770)                         | -         | -                             | -    |
| Gross balance sheet exposure |      | (2,176,112)                       | -         | -                             | -    |

The net position of currency swaps and forward exchange contracts at 31 December 2015 was Baht 4,570.0 million (net asset transactions) *(2014: Baht 3,790.0 million)*.

#### **Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

#### **Liquidity risk**

The Group/Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's/Company's operations and to mitigate the effects of fluctuations in cash flows.

### **Fair values of financial assets and liabilities**

Fair values of financial assets and liabilities, together with the carrying values shown in the consolidated and separate statement of financial position at 31 December were as follows:

|                                | Consolidated financial statements |            |         |         |         |
|--------------------------------|-----------------------------------|------------|---------|---------|---------|
|                                |                                   | Fair value |         |         |         |
|                                | Carrying amount                   | Level 1    | Level 2 | Level 3 | Total   |
|                                | (in thousand Baht)                |            |         |         |         |
| 31 December 2015               |                                   |            |         |         |         |
| <b>Current assets</b>          |                                   |            |         |         |         |
| Derivatives                    | 134,735                           | -          | 134,735 | -       | 134,735 |
| <b>Current liabilities</b>     |                                   |            |         |         |         |
| Derivatives                    | 289,537                           | -          | 289,537 | -       | 289,537 |
| Commodity hedge                | -                                 | -          | 290,697 | -       | 290,697 |
| <b>Non-current assets</b>      |                                   |            |         |         |         |
| Derivatives                    | 421,447                           | -          | 421,447 | -       | 421,447 |
| <b>Non-current liabilities</b> |                                   |            |         |         |         |
| Derivatives                    | 371,694                           | -          | 371,694 | -       | 371,694 |
|                                |                                   |            |         |         |         |
|                                | Separate financial statements     |            |         |         |         |
|                                |                                   | Fair value |         |         |         |
|                                | Carrying amount                   | Level 1    | Level 2 | Level 3 | Total   |
|                                | (in thousand Baht)                |            |         |         |         |
| 31 December 2015               |                                   |            |         |         |         |
| <b>Current assets</b>          |                                   |            |         |         |         |
| Derivatives                    | 14,340                            | -          | 14,340  | -       | 14,340  |
| <b>Non-current assets</b>      |                                   |            |         |         |         |
| Derivatives                    | 421,447                           | -          | 421,447 | -       | 421,447 |
| <b>Non-current liabilities</b> |                                   |            |         |         |         |
| Derivatives                    | 294,864                           | -          | 294,864 | -       | 294,864 |

As at 31 December 2015 and 2014, the fair values of non-derivative financial assets and liabilities do not differ significantly from amounts recorded in the statement of financial position.

The Group's/Company's investments in equity instrument do not have a quoted price in an active market for an identical instrument, that is measured at cost because its fair value cannot otherwise be measured reliably.

### **Financial instruments carried at fair value**

#### **Fair value hierarchy**

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group/Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group determines Level 2 fair values for non-derivative financial assets and liabilities using a discounted cash flow technique, which uses contractual cash flows and a market-related discount rate.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group/Company and counterparty when appropriate.

The fair value of commodity futures, which is determined for disclosure purpose, is based on their listed market price, if available. As at 31 December 2014, the fair value of commodity futures is Baht 611.0 million (net liability transaction). Substantial part of commodity futures relate to fixed price sales contract entered into with a customer for future sale.

The Group/Company has an established control framework with respect to the measurement of fair values. This framework includes a valuation team that reports directly to the senior management, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Group/Company Audit Committee.

### 39 Commitments with non-related parties

|                                                              | Consolidated financial statements |              |
|--------------------------------------------------------------|-----------------------------------|--------------|
|                                                              | 2015                              | 2014         |
|                                                              | (in million Baht)                 |              |
| <b>Capital commitments</b>                                   |                                   |              |
| <i>Contracted but not provided for</i>                       |                                   |              |
| Land and land improvements                                   | 128                               | 143          |
| Buildings and other construction                             | 122                               | 281          |
| Machinery and equipment                                      | 2,206                             | 1,791        |
| <b>Total</b>                                                 | <b>2,456</b>                      | <b>2,215</b> |
| <b>Non-cancellable operating lease commitments</b>           |                                   |              |
| Within one year                                              | 948                               | 631          |
| After one year but within five years                         | 2,016                             | 1,213        |
| After five years                                             | 766                               | 215          |
| <b>Total</b>                                                 | <b>3,730</b>                      | <b>2,059</b> |
| <b>Other commitments</b>                                     |                                   |              |
| Purchase orders and letters of credit for goods and supplies | 7,198                             | 5,483        |
| Bank guarantees                                              | 1,795                             | 2,029        |
| Other                                                        | 5                                 | 15           |
| <b>Total</b>                                                 | <b>8,998</b>                      | <b>7,527</b> |

Certain subsidiaries have executed long-term purchase agreements committing them to purchase agreed quantities of raw materials for periods up to three years, at prices limited to the market prices of the underlying commodities.

On 11 November 2015, the Company, through its indirect subsidiary, Indorama Netherlands B.V., signed a share purchase agreement with CEPESA Quimica S.A., Spain to acquire 100% equity interest in Guadarranque Polyester, S.L.U., Spain which has Purified Isophthalic Acid ("PIA"), PTA and PET manufacturing facility in Spain.

## 40 Events after the reporting period

On 19 February 2016, the board of directors proposed for the dividend payment of Baht 0.24 per share, amounting to Baht 1,155.4 million. This dividend payment is subject to the approval by the shareholders of the Company.

IVL, through its one of the indirect subsidiary, Indorama Ventures North America LLC, a limited liability company organised and existing under the laws of the state of Delaware, USA, signed an asset purchase and sales agreement on 6 January 2016 with BP Amoco Chemical Company, a corporation organised and existing under the laws of the state of Delaware, USA, for the acquisition of 100% chemical complex of BP Amoco Chemical Company at Decatur in Alabama, USA. The chemical complex has manufacturing facility of paraxylene, PTA and naphthalene dicarboxylate.

## 41 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may relevant to the Group's/Company's operations which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group/Company does not plan to adopt these TFRS early.

| TFRS                   | Topic                                                           |
|------------------------|-----------------------------------------------------------------|
| TAS 1 (revised 2015)   | Presentation of Financial Statements                            |
| TAS 2 (revised 2015)   | Inventories                                                     |
| TAS 7 (revised 2015)   | Statement of Cash Flows                                         |
| TAS 8 (revised 2015)   | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2015)  | Events After the Reporting Period                               |
| TAS 12 (revised 2015)  | Income Taxes                                                    |
| TAS 16 (revised 2015)  | Property, Plant and Equipment                                   |
| TAS 17 (revised 2015)  | Leases                                                          |
| TAS 18 (revised 2015)  | Revenue                                                         |
| TAS 19 (revised 2015)  | Employee Benefits                                               |
| TAS 21 (revised 2015)  | The Effects of Changes in Foreign Exchange Rates                |
| TAS 23 (revised 2015)  | Borrowing Costs                                                 |
| TAS 24 (revised 2015)  | Related Party Disclosures                                       |
| TAS 26 (revised 2015)  | Accounting and Reporting by Retirement Benefit Plans            |
| TAS 27 (revised 2015)  | Separate Financial Statements                                   |
| TAS 28 (revised 2015)  | Investments in Associates and Joint Ventures                    |
| TAS 33 (revised 2015)  | Earnings Per Share                                              |
| TAS 34 (revised 2015)  | Interim Financial Reporting                                     |
| TAS 36 (revised 2015)  | Impairment of Assets                                            |
| TAS 37 (revised 2015)  | Provisions, Contingent Liabilities and Contingent Assets        |
| TAS 38 (revised 2015)  | Intangible Assets                                               |
| TFRS 3 (revised 2015)  | Business Combinations                                           |
| TFRS 8 (revised 2015)  | Operating Segments                                              |
| TFRS 10 (revised 2015) | Consolidated Financial Statements                               |
| TFRS 11 (revised 2015) | Joint Arrangements                                              |

| TFRS                    | Topic                                                                                                                                     |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| TFRS 12 (revised 2015)  | Disclosure of Interests in Other Entities                                                                                                 |
| TFRS 13 (revised 2015)  | Fair Value Measurement                                                                                                                    |
| TSIC 15 (revised 2015)  | Operating Leases – Incentives                                                                                                             |
| TSIC 27 (revised 2015)  | Evaluating the Substance of Transaction in the Legal Form of a Lease                                                                      |
| TFRIC 1 (revised 2015)  | Changes in Existing Decommissioning, Restoration and Similar Liabilities                                                                  |
| TFRIC 4 (revised 2015)  | Determining Whether an Arrangement Contains a Lease                                                                                       |
| TFRIC 10 (revised 2015) | Interim Financial Reporting and Impairment                                                                                                |
| TFRIC 14 (revised 2015) | TAS 19 (revised 2015) <i>Employee benefits</i> – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |

The Group/Company made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.



**OUR PET RESINS ARE IN**

**1.6**

**out of every**

**PLASTIC BOTTLES**

**OUR FIBERS ARE IN**

**1.2**

**out of every**

**PREMIUM DIAPERS**



**OUR YARNS ARE IN**

**1.4**

**out of every**

**AIRBAGS**



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