



Indorama Ventures **Annual Report**

2016



**TO BE A WORLD-CLASS
CHEMICAL COMPANY
MAKING GREAT PRODUCTS
FOR SOCIETY.**



**In memoriam of our beloved monarch
His Majesty King Bhumibol Adulyadej
Who has ascended to heaven but remains in
the hearts and minds of the Thai people**



**With deepest respect
The management and staff of Indorama Ventures Public Company Limited**



VISION MISSION VALUES

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

To be a world-class chemical company making great products for society.

Values

The customer is why we exist.

We measure ourselves by our customers' success. Through unparalleled innovation and attention to quality we aim to exceed their expectations.

Our people make the difference.

A company is its people and people provide the competitive advantage. We respect every voice and rely on one another to grow.

We see change as an opportunity.

The business landscape is constantly evolving. We embrace the challenges of change to be world-class and maintain our differentiation.

Mission

We commit to be a responsible industry leader leveraging on the excellence of our people, processes, and technologies to create value for our stakeholders.

Diversity is our strength.

As a global company we value the variety of knowledge, perspectives and experiences in our organization, and draw strength from these to fuel our competitiveness.

We are responsible.

In our pursuit of business growth and profitability we do things the right way- economically, socially, and environmentally.

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HIGHLIGHTS

PERFORMANCE HIGHLIGHTS

	Baht Million		
	2014 (R) ⁽³⁾	2015	2016
Total Production (in '000 tons)	6,249	7,024	8,729
⁽¹⁾ Consolidated Sales	243,907	234,698	254,620
PET	145,121	131,834	134,990
Fibers	70,274	73,219	73,291
Feedstock	64,477	59,960	93,771
⁽²⁾ Core EBITDA	18,458	21,958	27,366
PET	8,504	8,477	10,104
Fibers	4,021	6,691	7,246
Feedstock	6,131	6,741	9,563
Core EBIT	10,560	12,633	16,304
Reported Profit before Tax	3,586	8,516	18,633
Reported Net profit after tax and NCI	1,675	6,609	16,197
Reported EPS after PERP Interest	0.31	1.15	3.15
Dividend Per Share (Announced)	0.38	0.48	0.66
Net Operating Debt to Equity	0.78	0.81	0.88

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

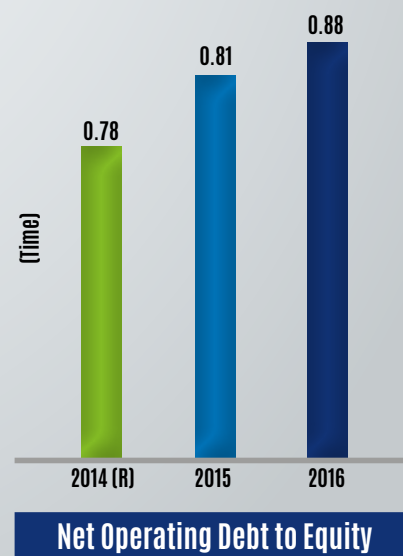
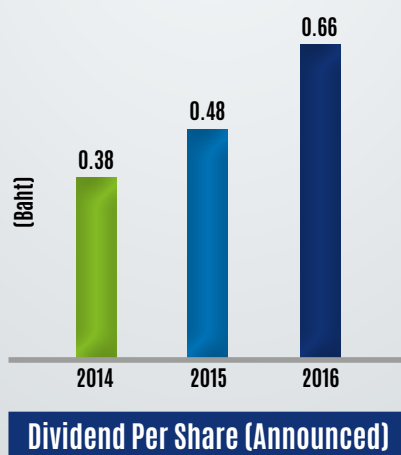
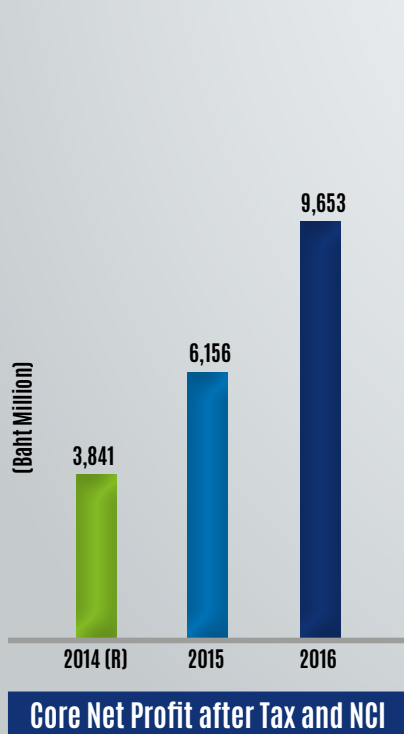
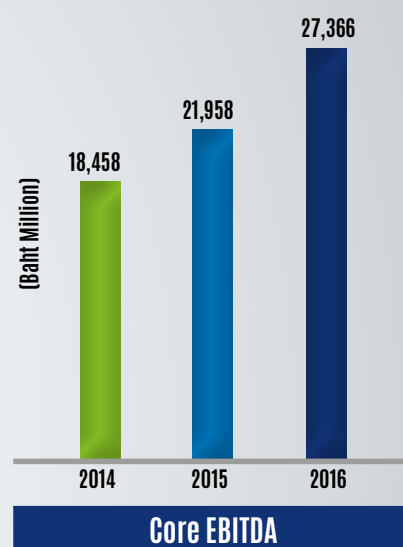
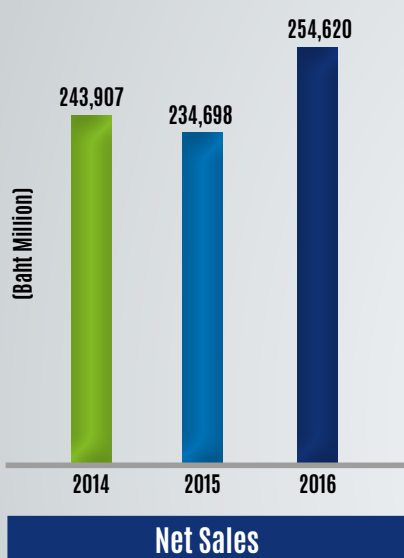
(2) Core EBITDA is Consolidated EBITDA less Inventory gain/(loss). Segments total may not match to IVL due to holdings segment.

(3) Periods with Restated or (R) are restated numbers as per the adoption of new and revised TFRS.

	Baht Million		
	2014(R)	2015	2016
Core Net Profit after Tax and NCI	3,841	6,156	9,653
Inventory gain (loss)	(2,499)	(2,553)	261
Total tax on Inventory gain/(loss)	391	593	(56)
Net profit, before extraordinary items	1,733	4,197	9,858
Add: Non Operational/Extraordinary income/(expense)	(58)	2,413	6,339
Acquisition cost & pre-operative expense	(126)	(166)	(186)
Gain on Bargain Purchases, impairments and feasibility study (Net)*	506	2,628	6,022
Other Extraordinary Income/(Expense)	(438)	(50)	504
= Net profit after tax and NCI	1,675	6,609	16,197

*A gain on bargain purchase needs to be accounted for on completion of any acquisition under Thai Accounting Standards. Impairments include extraordinary expenses in 2015 on provision of expenses made to develop Aromatics complex with JV partner in Abu Dhabi, which IVL exited in year 2015. IVL booked THB 432.9 million as income on account of commercial settlement between the parties in 2016.





FINANCIAL HIGHLIGHTS

The following table sets forth summary of the consolidated financial statements of Indorama Ventures Public Company Limited from 2014 to 2016

Statements of Financial Position (Consolidated Financial Statements)

Unit: Baht million	As of December 31					
	2014 Restated	%	2015	%	2016	%
Assets						
Current assets						
Cash and cash equivalents	5,339.1	2.7	3,232.5	1.5	4,025.6	1.6
Current investments	5,182.3	2.7	451.8	0.2	114.7	0.0
Trade accounts receivable	26,203.0	13.5	27,499.6	12.4	31,085.5	12.0
Short-term loans to related parties	75.1	0.0	265.6	0.1	434.2	0.2
Inventories	29,141.1	15.0	31,785.6	14.3	40,458.9	15.7
Other current assets	6,239.6	3.2	7,313.2	3.3	8,376.4	3.2
Total current assets	72,180.2	37.1	70,548.2	31.8	84,495.3	32.7
Non-current assets						
Investments in joint ventures	1,941.9	1.0	1,962.4	0.9	5,529.8	2.1
Other long-term investments	104.7	0.1	119.6	0.1	90.0	0.0
Long-term loans to related parties	164.1	0.1	165.4	0.1	127.0	0.0
Property, plant and equipment	97,822.5	50.3	120,365.6	54.3	136,860.3	53.0
Goodwill	8,054.8	4.1	9,788.6	4.4	9,654.8	3.7
Other intangible assets	11,126.9	5.7	13,581.2	6.1	17,602.2	6.8
Deferred tax assets	1,229.0	0.6	2,686.8	1.2	2,233.5	0.9
Other non-current assets	1,909.6	1.0	2,422.9	1.1	1,787.5	0.7
Total non-current assets	122,353.5	62.9	151,092.4	68.2	173,885.2	67.3
Total assets	194,533.7	100.0	221,640.6	100.0	258,380.5	100.0
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	8,581.0	4.4	12,115.0	5.5	9,205.6	3.6
Trade accounts payable	27,764.2	14.3	31,149.0	14.1	37,316.1	14.4
Short-term loans from related party	-	0.0	-	0.0	19.2	0.0
Current portion of long-term loans from financial institutions	4,426.2	2.3	2,118.2	1.0	4,403.6	1.7
Current portion of debentures	-	0.0	2,898.0	1.3	5,499.3	2.1
Current portion of finance lease liabilities	8.3	0.0	8.4	0.0	7.6	0.0
Income tax payable	854.3	0.4	1,162.7	0.5	1,189.9	0.5
Other current liabilities	6,431.6	3.3	7,931.9	3.6	8,220.1	3.2
Total current liabilities	48,065.7	24.7	57,383.2	25.9	65,861.5	25.5

Unit: Baht million	As of December 31					
	2014 Restated	%	2015	%	2016	%
Non-current liabilities						
Long-term loans from financial institutions	32,757.6	16.8	34,140.3	15.4	51,167.9	19.8
Debentures	27,499.0	14.1	32,310.0	14.6	31,789.8	12.3
Finance lease liabilities	21.4	0.0	16.4	0.0	12.4	0.0
Deferred tax liabilities	8,881.2	4.6	11,223.1	5.1	14,796.0	5.7
Employee benefit obligations	1,755.0	0.9	1,795.5	0.8	2,027.8	0.8
Other non-current liabilities	944.2	0.5	1,819.3	0.8	910.0	0.4
Total non-current liabilities	71,858.3	36.9	81,304.5	36.7	100,704.0	39.0
Total liabilities	119,924.1	61.6	138,687.7	62.6	166,565.5	64.5
Equity						
Share capital						
Authorised share capital	5,666.0	2.9	5,666.0	2.6	5,666.0	2.2
Issued and paid-up share capital	4,814.3	2.5	4,814.3	2.2	4,814.3	1.9
Additional paid in capital:						
Share premium	29,774.6	15.3	29,775.1	13.4	29,775.1	11.5
Unrealised surpluses (deficits)						
Hedging reserve	(37.4)	(0.0)	(61.8)	(0.0)	(52.4)	(0.0)
Currency translation differences	955.5	0.5	4,658.7	2.1	1,491.2	0.6
Excess of cost over book value of acquired subsidiaries	(3,300.2)	(1.7)	(3,290.8)	(1.5)	(3,290.8)	(1.3)
Differences arising from common control transactions	(1,235.6)	(0.6)	(1,235.6)	(0.6)	(1,235.6)	(0.5)
Retained earnings						
Appropriated						
Legal reserve	1,834.7	0.9	1,989.9	0.9	2,327.1	0.9
Unappropriated	24,873.5	12.8	28,301.3	12.8	40,352.4	15.6
Equity attributable to shareholders	57,679.4	29.7	64,951.2	29.3	74,181.3	28.7
Subordinated perpetual debentures	14,874.1	7.6	14,874.1	6.7	14,874.1	5.8
Equity attributable to equity holders	72,553.4	37.3	79,825.2	36.0	89,055.4	34.5
Non-controlling interests	2,056.2	1.1	3,127.7	1.4	2,759.6	1.1
Total equity	74,609.6	38.4	82,953.0	37.4	91,814.9	35.5
Total liabilities and equity	194,533.7	100.0	221,640.6	100.0	258,380.5	100.0

Statements of Income (Consolidated Financial Statements)

Unit: Baht million	For the year ended December 31					
	2014 Restated	%	2015	%	2016	%
Income						
Revenue from sale of goods	243,907.2	100.0	234,697.9	100.0	254,619.5	100.0
Net foreign exchange gain	375.4	0.2	48.5	0.0	543.1	0.2
Interest income	71.6	0.0	166.7	0.1	124.4	0.0
Gain on a bargain purchase	1,669.9	0.7	3,625.7	1.5	6,698.6	2.6
Impact of flooding, net	140.0	0.1	-	0.0	-	0.0
Other income	1,572.8	0.6	1,594.8	0.7	1,459.5	0.6
Total income	247,736.9	101.6	240,133.6	102.3	263,445.1	103.5
Expenses						
Cost of sale of goods	221,869.2	91.0	208,177.2	88.7	218,197.7	85.7
Selling and administrative expenses	16,537.0	6.8	19,180.0	8.2	21,679.0	8.5
Management benefit expenses	90.2	0.0	112.9	0.0	143.7	0.0
Impairment losses	744.1	0.3	-	0.0	607.9	0.2
Total expenses	239,240.4	98.1	227,470.1	96.9	240,628.4	94.5
Share of losses of investments in joint ventures, net	(1,356.1)	(0.6)	(242.2)	(0.1)	(173.1)	(0.1)
Profit before finance costs and income tax expense	7,140.4	2.9	12,421.3	5.3	22,643.7	8.9
Finance costs	3,554.5	1.5	3,652.1	1.6	4,222.3	1.7
Profit before income tax expense	3,585.9	1.5	8,769.2	3.7	18,421.3	7.2
Income tax expense	1,625.4	0.7	1,880.8	0.8	2,062.2	0.8
Profit for the year	1,960.5	0.8	6,888.4	2.9	16,359.2	6.4
Attributable to:						
Owners of the Company	1,675.1	2.0	6,609.3	2.8	16,197.1	6.4
Non-controlling interests	285.4	0.3	279.1	0.1	162.1	0.1
Profit for the year	1,960.5	2.3	6,888.4	2.9	16,359.2	6.4
Earnings per share (in Baht)	0.31		1.15		3.15	
Core earnings per share (in Baht)*	0.76		1.06		1.79	

*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		
	2014 Restated	2015	2016
Cash flows from operation activities			
Profit for the year	1,960.5	6,888.4	16,359.2
<i>Adjustment for</i>			
Depreciation	7,108.3	8,324.5	9,626.6
Amortisation of intangible assets and other assets	790.2	1,001.2	1,438.8
Interest income	(71.6)	(166.7)	(124.4)
Gain on bargain purchases	(1,669.9)	(3,625.7)	(6,698.6)
Gain on partial disposal of interest in subsidiary with a change in control	-	-	(30.2)
Share of losses of investments in joint ventures, net of income tax	1,356.1	242.2	173.1
Finance costs	3,554.5	3,652.1	4,222.3
Unrealised foreign exchange (gain) loss	222.8	129.9	(311.9)
(Reversal of) provision for bad and doubtful debts expenses, net	(7.5)	19.9	30.4
(Reversal of allowance) provision for write-down value of inventory to net realisable value	169.8	40.1	(67.1)
Provision for impairment on property, plant and equipment	597.4	8.9	501.3
Provision for impairment on investment in a joint venture	146.7	-	-
Provision for impairment on intangible assets	-	-	106.6
(Reversal of) provision loss on unrecoverable advances payment for project	-	609.7	(432.9)
Employee benefits expense	123.5	317.5	294.8
Reversal of decommissioning liabilities	-	-	(221.2)
Loss on disposal of property, plant and equipment, net	64.5	111.3	9.3
Income tax expense	1,625.4	1,880.8	2,062.2
	15,970.7	19,434.2	26,938.3
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable	5,328.7	4,515.8	(236.1)
Inventories	1,945.6	1,168.2	(2,633.0)
Other current assets	(272.4)	(92.6)	(547.4)
Other non-current assets	(244.3)	(124.9)	(17.9)
Trade accounts payable	659.7	(1,046.8)	3,613.7
Other current liabilities	(485.3)	932.7	(217.6)
Other non-current liabilities	(52.4)	770.9	(504.1)
Employee benefits obligation	(169.7)	(117.5)	(186.9)
Income taxes paid	(259.1)	(633.8)	(1,262.8)
Net cash from (used in) operating activities	22,421.5	24,806.1	24,946.2

Unit: Baht million	For the year ended December 31		
	2014 Restated	2015	2016
Cash flows from investing activities			
Interest received	42.0	193.0	134.4
Purchase of property, plant and equipment	(8,434.4)	(10,281.8)	(13,411.4)
Proceeds from sale of property, plant and equipment	89.3	79.1	87.1
Proceeds from sale (purchase) of other investment, net	(4,825.3)	4,868.1	361.8
Purchase of intangible assets	(93.2)	(55.8)	(107.8)
Proceeds from sale of intangible assets	-	0.8	-
Net cash outflow on acquisitions of businesses	(3,611.2)	(15,267.4)	(22,239.0)
Net cash outflow on additional investments in subsidiaries and joint ventures	(316.8)	(175.9)	(2,198.9)
Advance payment on additional investments in subsidiary and a joint venture	(437.8)	(412.5)	(687.4)
Net cash inflow on partial disposal of interest in a subsidiary with a change in control	-	-	552.4
Reimbursement (advance payment) for project	(915.5)	(247.2)	1,126.5
Net cash from (used in) investing activities	(18,503.1)	(21,299.5)	(36,382.2)
Cash flow from financing activities			
Interest paid	(3,479.9)	(3,646.6)	(4,340.9)
Deferred financing cost paid	(40.2)	(90.5)	(224.6)
Dividends paid to owners of the Company	(1,587.8)	(2,069.9)	(2,599.5)
Dividends paid to non-controlling interests	(65.7)	(58.1)	(383.5)
Proceeds from short and long-term borrowings	4,093.7	8,803.6	27,322.7
Repayment of short and long-term borrowings	(19,944.3)	(14,998.8)	(8,477.1)
Repayment of debenture	-	-	(2,900.0)
Repayment of finance leases	(9.1)	(7.9)	(8.6)
Proceeds from issue of ordinary shares due to warrants exercised	-	0.5	-
Proceeds from issue of debenture, net of debenture issuance costs	3,691.7	7,686.0	4,991.6
Proceed from issue of subordinated perpetual debentures, net of issuance costs	14,874.1	-	-
Coupon payment on subordinated perpetual debentures	-	(1,050.0)	(1,052.9)
Loans from a joint venture	-	-	19.2
Loans to joint ventures	(97.4)	(175.9)	(123.7)
Net cash from (used in) financing activities	(2,564.9)	(5,607.5)	12,222.7
Net increases (decreases) in cash and cash equivalents	1,353.5	(2,100.9)	786.7
Cash and cash equivalents at beginning of year	4,013.4	5,339.1	3,232.5
Effect of exchange rate changes on balances held in foreign currencies	(27.9)	(5.7)	6.5
Cash and cash equivalents at end of year	5,339.1	3,232.5	4,025.6



Mr. Sri Prakash Lohia

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

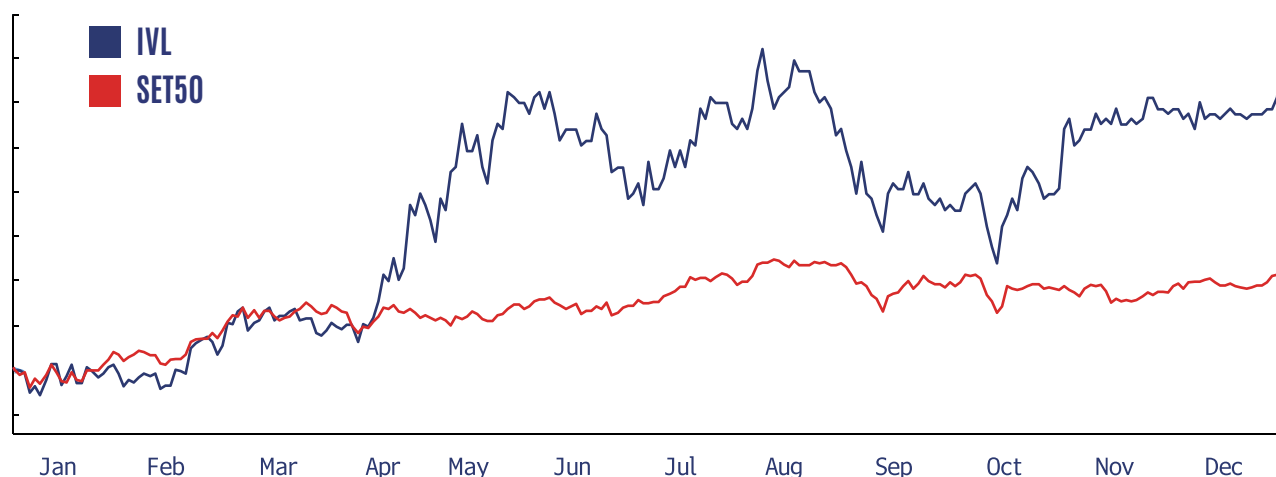
The Board and I are pleased with the financial performance of the Company in 2016. All key performance metrics improved sizably despite an ongoing challenging business environment. It is heartening to see that the sound strategy has been well implemented by the management and is having a positive impact on the Company. The Board observation is that the Company has managed to maintain a prudent balance sheet whilst making judicious growth-oriented investment decisions. A balanced strategy that can help achieve accretive growth whilst the industry is at the bottom of the cycle is an indication of the checks and balances in place, consistent with the philosophy of the Company.

In 2016, the Board also placed its focus on a redefined vision, enhances sustainability agenda, and continued improvement to our corporate governance. Previous policies were reviewed and changes made where appropriate, especially concerning diversity and human rights, to be in line with our commitments under our deeply engrained values system.

The new vision-mission-values statements, issued in July 2016 and now thoroughly internalized across the Indorama Ventures group globally, are having a visible effect in that we are closely reviewing all policies and enshrining our values into them. We are paying more attention to our transparency and disclosure as we strive towards our vision of "becoming a world-class chemical company that makes great products for society." This resulted in recognition by *Transparency International*, the *Global Anti-Corruption Coalition*, which ranked us as the most transparent publicly listed company in Thailand.

In order to be sustainable, we must become more conscious of our internal and external ecosystem. We continue to improve on our drive towards reducing our carbon footprint and energy consumption, enhancing our focus on health, safety and environment and growing our recycling initiatives. A sharp improvement in the scorecard received from the *Dow Jones Sustainability Index (DJSI)* is a testimony of our journey in this direction and provides the motivation to all of us to do more in this regard.

2016 Share Price Performance Relative to Thai SET50 Index (Jan-Dec)



The Board believes in the value of continuous learning, and engages in knowledge sharing and exchange experiences with key figures. In 2016, the Board was fortunate to be able to learn from the Secretary General of the *Securities and Exchange Commission of Thailand*, who discussed future developments to corporate governance regulations and exchanged views with the Board as part of this knowledge sharing. We will continue to arrange for Board education programs so that we are kept aware of new developments in Board regulations and skills.

As we aim "to be a world-class chemical company making great products for society," I hope we will continue to gain the confidence of all our stakeholders and deliver better returns for you as a well-managed, sustainable, and transparent company through our emphasis on risk management, corporate governance, consistent strategies and precise execution.

Finally, I want to thank the management and fantastic team of some 15,000 professionals at Indorama Ventures for their tireless efforts and initiatives in creating a highly-respected, high-growth and sustainable organization. And last, but certainly not least, I would like to thank my fellow members of the Board for their continued commitment and support.

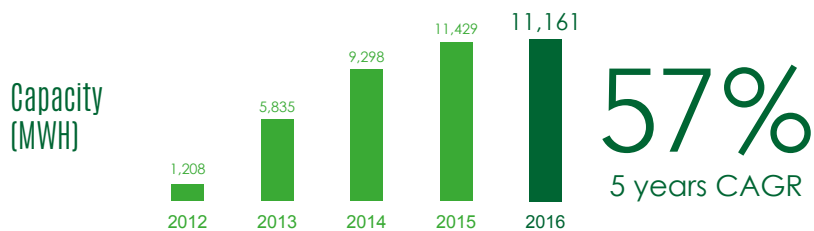
Thank you



Sri Prakash Lohia
Chairman

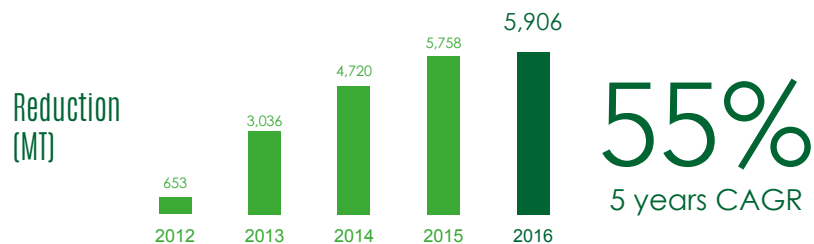
Renewable Energy Generation

Cumulative MWH = 39,162

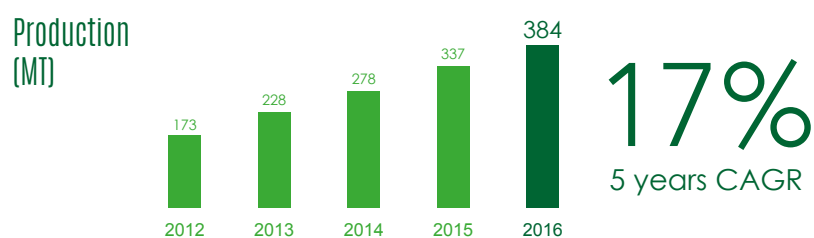


Green House Gas Reduction from Renewable Energy

Total GHG reduction = 20,000 tons approx.



Year on Year Growth of Products with Recycled Content





World-class Chemical Company

IVL has expanded its business of feedstock chemicals used in the production of PET and polyester in order to benefit from the backward integration of raw materials, such as ethylene, paraxylene, PTA and Mono-ethylene Glycol.



Mr. Alope Lohia

MESSAGE FROM THE GROUP CEO

Dear Shareholders,

I am pleased to inform you that your company continues to deliver on our promise of prudent growth. Despite intense margin pressure in the industry, 2016 was a good year for us as we delivered record results across all key indicators. Some of our critical achievements included annual production growth of 24%, EBITDA growth of 25% and a net profit growth of 145%. Each segment contributed to this growth. This was because we have pursued our strategy of geographical expansion, earnings diversification and feedstock integration.

Our cash flows from operations have remained strong and, along with proceeds from the perpetual bond, has enabled us to fund growth capital expenditure of approximately THB 47 billion without increasing debt between 2013 to 2015. In 2016, this continued as we benefitted from THB 25 billion in operational cash flows that helped fund a significant portion of our growth capital of THB 34 billion. In the context of our expanded portfolio, I expect operational cash flows to remain strong going forward, which will afford an opportunity to lower our debt level and yet provide sufficient headroom for accretive growth opportunities.

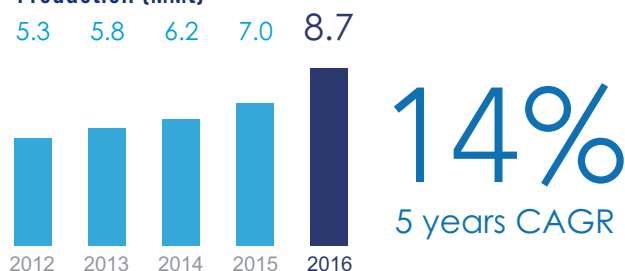
A unique global position in the integrated PET business places us in an advantageous position. Given our global scale, the Company is well positioned to benefit as and when the global supply demand equation improves. Fewer new announcements of capacity expansions in Asia, expectations of a higher interest rate environment and greater caution by lenders in China are expected to play a role in accelerating the pace of consolidation in the industry and improving the margin environment in the sector. As a global leader, IVL stands to benefit the most as a result.

New Vision

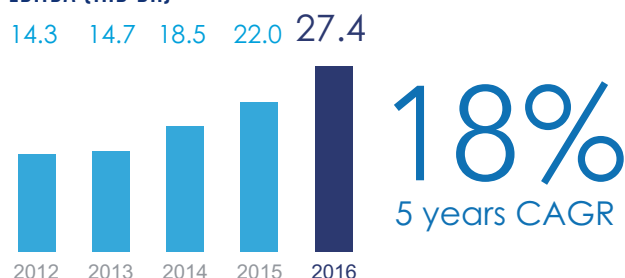
Looking to the future, we are focusing on our new vision for the future of the Company, "to be a world-class chemical company making great products for society." Over time, we have evolved from a pure-play polyester company to a wider yet relevant range of products in the petrochemical industry. Moreover, we are a part of society and want to contribute positively to its sustainable development and growth, which our vision makes clear. In addition, we will continue to invest in green

Long-term Performance Record

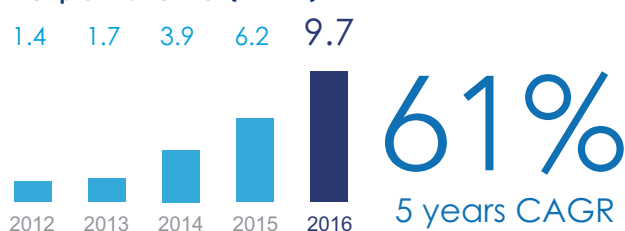
Production (MMt)



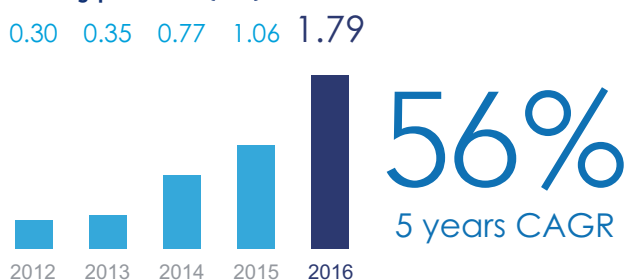
EBITDA (THB Bn)



Net profit after NCI (THB Bn)



Earning per share (THB)



Note: Core Financials, 2013/14 are restated numbers following changes in accounting policy/others

energy and recycling where practical so that we lower our greenhouse gas emissions and consumption of depleting natural resources over time.

The Solutions Company

Becoming a world-class company entails fully utilizing our ability to enhance customer intimacy as we offer more innovative services and products on a global level. Not only do we cover the world with our presence, but we also offer more related products in the resin, packaging and fiber industry than ever before. In many segments, like hygiene fibers, we are one of the world leaders, but in others like the auto segment, we are climbing rapidly to leadership positions.

Shareholder Value

Besides our market strength, your company is also creating incremental long-term value for shareholders through key strategies and demonstrated strong execution capabilities. By doing so, we have protected our earnings from downside risk while positioning ourselves for future upside. Our performance is a testimony to the combination of several elements working in seamless harmony. The strategy of earnings diversification, growth in key locations and integration has continued to play a vital role in our ability to deliver industry-leading performance.

The future looks even more exciting as we pursue our journey of profitable growth. This includes an investment of around USD 1 billion towards growth projects previously announced and an avenue to invest additionally up to USD 4 billion between 2017 and 2020, subject to the success of our recently completed strategic business plans. For more details on our business plans, please go to http://www.indoramaventures.com/upload/presentations/file_28022017152519.pdf.

We are a Growth Company

During the year, we extended our footprint following the acquisition of an

aromatics facility in Decatur, USA, and a PTA/IPA/PET facility in Spain. We consolidated our presence in India and expanded our fibers capacity in Indonesia and Thailand. We believe our earnings accretive acquisitions allow us the unique ability to offer an enhanced value proposition and a superior supply chain to our clients. These new assets in particular are delivering an EBITDA margin of 18.6% due to their larger scale and integration as well as high contribution from new HVA chemicals, NDC and IPA, which have contributed to a positive quantum of Core EBITDA and profit growth.

I am pleased to report that our dual-feed, gas-based cracker is progressing on budget and on schedule and is expected to start up well ahead of some of the other greenfield projects announced in North America. This first-mover advantage will deliver significant shareholder value. Feedstocks have been secured under long-term agreements and environmental permits have been received for this Louisiana cracker. This investment is a fundamental element in IVL's strategy to utilize low-cost shale gas feedstocks to improve margins further in our high-growth glycols and PEO segments.

Strengthening our Bottom Line

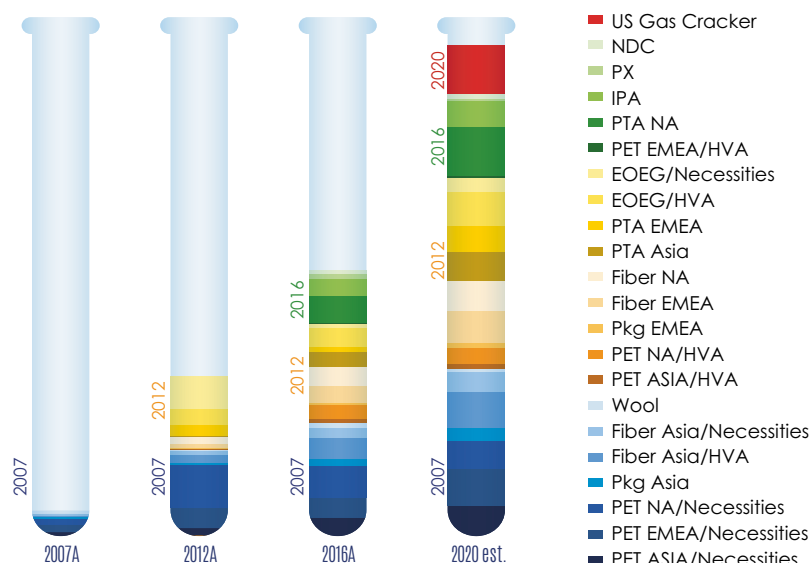
Besides our investments that will lead to accretive growth, we have seen margins growing faster than volumes in 2016, indicative of higher growth in our high value-added (HVA) businesses and the value generated by vertical integration. Today, we have HVA products in all the business segments and all the major economic regions of the world. High value-added businesses contributed 19% of volume and 48% of EBITDA in 2016, revealing that the new product mix in our portfolio is leading to a transformation. The Fibers business in particular has a strong R&D platform; we will thus continue to invest further in an ongoing endeavor to provide unique solutions that help strengthen our offering to our customers, including in the polymer segment. About 62% of our HVA products are businesses protected by proprietary information and intellectual property.

On the innovation side, IVL has a superior portfolio of new products and developments that are at the stage of being commercialized or in early commercialization. Besides improvements of existing products, the focus is to offer in the future new products

Enhancing Value Add and Hedging the Value Chain

22 Revenue Streams by 2020

EBITDA (USD M)



Note: Core Financials

with additional value to customers like intelligent fabrics, composites and environmentally-friendly products.

Trends to Watch Out for

Population growth in the emerging markets and an ageing society in the developed world are underpinning the demand for hygiene products such as adult diapers. A new emerging group is the rising middle class, with over 3 billion with higher disposable incomes expected by 2030. We are well positioned in both emerging markets and developed economies to serve the emerging trends in the hygiene as well as auto and industrial businesses.

Trends like urbanization, climate change and demographic developments create a need to move away from traditional materials to technical textiles. Moreover, environmental applications will become ever more important. Air pollution in developing countries and the availability of drinking water have already become major issues and will lead to the increasing use of more efficient filtration systems where technical textiles play a major role. There is also a strong shift in the automotive industry, moving away from the traditional combustion engine to electrical vehicles and further

to autonomous driving, which will spur the innovation of technical textiles and polymers.

Looking Ahead

The past five years have been challenging and it is gratifying to know that we have not only met, but exceeded industry expectations. The next five years look more promising and, given our global scale, we are well positioned as new demand for PTA and PET outpaces new supply. Rapid urbanization, higher per capita disposable incomes and focus on hygiene and personal safety will create incremental demand.

As PTA margins in Asia improve, the entire value chain improves across all geographies on the back of higher import parity led domestic realizations.

In Conclusion

We started this journey with a handful of revenue streams. Today we have around 21 and are well on our way to further growing this to 22. These earning streams are aimed at enhancing value addition and hedging the value chain by increasing feedstock integration and improving the overall financial performance of the Company.

We believe these businesses bring us even closer to our customers with our enhanced ability to provide a better value proposition and, overall, a superior and reliable supply chain to the industry. Not only will we grow over the next four years but we will also enhance our overall earnings significantly.

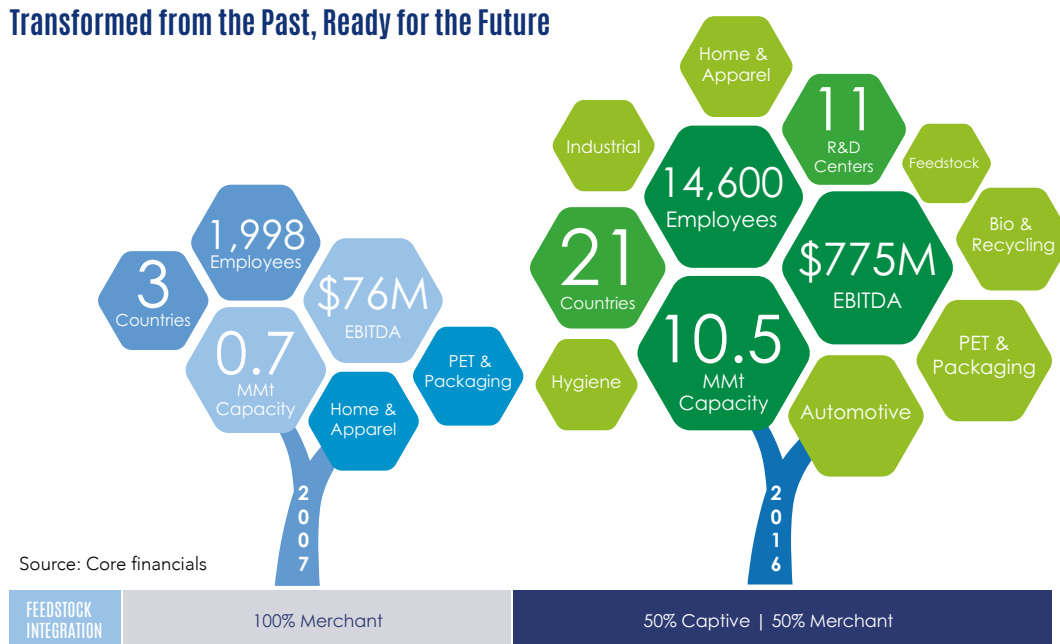
All of this has been achieved due to the shared vision, dedication and passion of our global talent pool comprising some 15,000 individuals: individuals who come from diverse cultures, diversities and ethnicities and work tirelessly around the world, and for their passion and hard work we have to congratulate and thank them for an excellent job.

I also want to thank the Chairman and the Board of Directors, the regulators, our partners, suppliers, financiers and investors for their support and confidence in the Company.



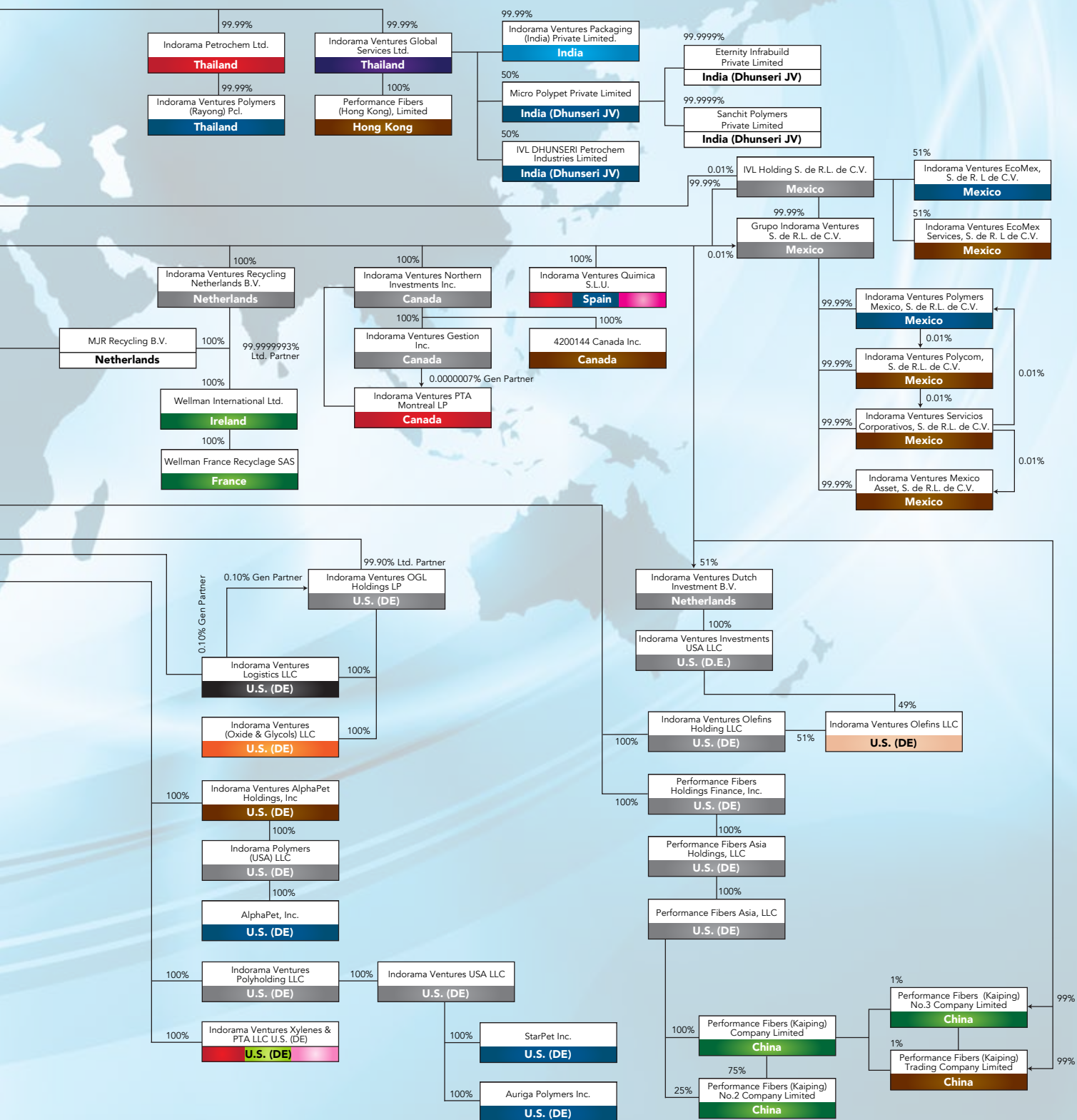
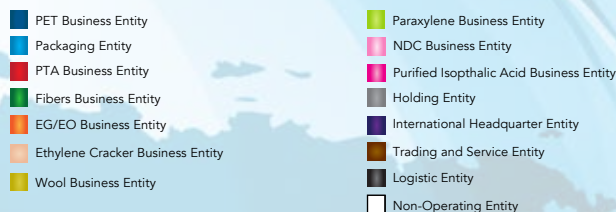
Aloke Lohia
Group CEO

Transformed from the Past, Ready for the Future



As of 31 December 2016





A hand in a light green sleeve reaches for a clear PET bottle on a white shelf. The shelf is filled with many similar bottles, some with red caps and others with blue caps. The background is blurred, showing more shelves and colorful items in a store.

We are closer than you think.

One in five PET bottles is made from IVL's resins. We are the leading global manufacturer of Polyethylene Terephthalate (PET) with 19 PET production plants on four continents. The company offers PET in different grades to support a variety of customers' requirements.

GENERAL INFORMATION AND OTHER INFORMATION

General Information

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

Other Information

Share Registrar	: Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand Tel: 0-2-009-9000 Fax: 0-2-009-9991
Debenture Registrar	: Bangkok Bank Public Company Limited 333 Silom Road, Bangrak, Bangkok 10500, Thailand Tel: 0-2-230-1136 Fax: 0-2-626-4545-6
Debenture Registrar (For IVL Debentures No. 1/2015 Tranche 1 & 2)	: Siam Commercial Bank Public Company Limited 1060 SCB Chidlom Tower 2, 3 rd Floor, Phetburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand Tel: 0-2-256-2339 Fax: 0-2-256-2406
Debenture Registrar (For IVL Debenture No. 2/2015)	: Krungthai Bank Public Company Limited 35 Sukhumvit Road, Klongtoey Nuea, Wattana, Bangkok 10110, Thailand Tel: 0-2-298-0830 Fax: 0-2-298-0835
Debenture Holders' Representative	: Bank of Ayudhya Public Company Limited 1222 Rama III Bang Phongphang, Yan Nawa, Bangkok 10120, Thailand Tel: 0-2-296-3582 Fax: 0-2-296-2202
Auditor	: KPMG Phoomchai Audit Limited 195 Empire Tower, 50 th – 51 st Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120, Thailand Tel: 0-2-677-2000 Fax: 0-2-677-2222
Legal Advisor	: Weerawong, Chinnawat & Peangpanor Ltd. 540 Mercury Tower, 22 nd Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel: 0-2-264-8000 Fax: 0-2-657-2222

67 Operating Sites **21** Countries **4** Continents

AMERICA



Canada

- Indorama Ventures PTA Montreal



Mexico

- Indorama Ventures Polymers Mexico^{1,3}
- Indorama Ventures EcoMex¹



USA

- StarPet
- AlphaPet¹
- Auriga Polymers^{1,6}
- Indorama Ventures (Oxide & Glycols)
- FiberVisions Manufacturing⁶
- FiberVisions Products
- Polyamide High Performance
- Indorama Ventures Olefins*
- Indorama Ventures Xylenes & PTA⁶

AFRICA



Ghana

- Indorama Ventures Packaging (Ghana)



Nigeria

- Indorama PET (Nigeria)
- Indorama Ventures Packaging (Nigeria)

EUROPE



Denmark

- FiberVisions⁶



France

- Wellman France Recyclage



Germany

- Trevira^{4,6}
- PHP Fibers⁶



Ireland

- Wellman International^{2,6}



Lithuania

- Orion Global Pet



Poland

- Indorama Ventures Poland



The Netherlands

- Indorama Ventures Europe³
- Wellman International



Turkey

- Indorama Ventures Corlu PET



UK

- Beverage Plastics



Spain

- Indorama Ventures Quimica

ASIA



China

- Guangdong IVL PET Polymer³
- FiberVisions (China) Textile Products
- ES FiberVisions (Suzhou)⁵
- ShenMa-PHP (Pingdingshan) Air Bag Yarn Manufacturing
- Performance Fibers⁶



India

- Micro Polypet
- IVL Dhunseri Petrochem Industries



Indonesia

- PT Indorama Polypet Indonesia
- PT Indorama Petrochemicals
- PT Indorama Ventures Indonesia
- PT Indorama Polyester Industries Indonesia
- PT Indorama Polychem Indonesia



Philippines

- Indorama Ventures Packaging (Philippines)



Myanmar

- Indorama Ventures Packaging (Myanmar)



Thailand

- IPI Rayong^{2,6}
- Indorama Petrochem
- TPT Petrochemicals
- IPI Nakhon Pathom^{2,6}
- AsiaPet / Indorama Polymers
- Petform
- Indorama Holdings
- Indorama Ventures Polymers (Rayong)
- ES Fiber Visions (Thailand)⁵

As of December 31, 2016

■ PET ■ Fibers ▲ Ethylene ▲ Paraxylene ■ PTA ■ EO/EG ■ NDC ■ IPA ■ Packaging ■ Bottle Flakes

1) Recycled PET Resins

4) Biodegradable Polymers

2) Recycled Fiber

5) Bi-co Fibers Technology

3) Bio-PET

6) R&D Center

* Currently non-operational.



We touch the lives of people around the world.

Our strategies are to acquire, invest, expand and develop our core businesses. Headquartered in Bangkok, Thailand, Indorama Ventures PCL has operating sites in 21 countries on four continents - Asia, Europe, North America, and Africa.

INVESTMENTS OF THE COMPANY

As of 31 December 2016

EG&EO Business					
No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Ventures (Oxide & Glycols) LLC Corporation Service Company, 2711 Centerville Rd, Ste 400, Wilmington, Delaware 19808, USA Tel: +1 847 943 3100 Fax: +1 847 607 9941	USA	(Membership Interest)	-	100.00%
Ethylene Cracker Business					
No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Ventures Olefins LLC 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808, USA Tel: +1 302 636 5401 Fax: +1 302 636 5454	USA	(Membership Interest)	-	75.99%
PTA Business					
No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	TPT Petrochemicals Public Company Limited 75/116-117, Ocean Tower 2, 41 st Floor, Soi Sukhumvit 19 (Wattana), Asoke Road, Klongtoey Nuer, Wattana, Bangkok 10110, Thailand Tel: +66 2 661 6661 Fax: +66 2 661 6664 - 5	Thailand	Common Share	492,500,000	99.97%
2	Indorama Petrochem Limited 75/93, Ocean Tower 2, 35 th Floor, Soi Sukhumvit 19 (Wattana), Asoke Road, Klongtoey Nuer, Wattana, Bangkok 10110, Thailand Tel: +66 2 661 6661 Fax: +66 2 661 6664 - 5	Thailand	Common Share	1,014,616,651	99.99%
3	PT. Indorama Petrochemicals Graha Irama, 16 th Floor, Jalan H R Rasuna Said, Blok X-1, Kav. 1-2, Kuningan Timur, Setiabudi, Jakarta Selatan 12950, Indonesia Tel: +62 21 526 1555 Fax: +62 21 526 4436	Indonesia	Common Share Class B1 Class B2 Class C Class D Class E	1,833,743 166,257 50,000 200,000 250,000 8,120	47.25%
4	Indorama Ventures PTA Montreal LP. 10200 rue Sherbrooke E., Montreal-Est, Quebec H1B 1B4, Canada Tel: +1 514 645 7887(229) Fax: +1 514 645 9115	Canada	(Partnership Interest)	290,000,000	100%

PTA & PET Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Ventures Europe B.V. Markweg 201, 3198NB Europoort Rotterdam, the Netherlands Tel: +31 181 285 400	Netherlands	Common Share	100	100.00%

PTA & PET & Purified Isophthalic Acid Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Ventures Quimica S.L.U. Poligono Industrial Guadarranque, 0 S/N, 11360 San Roque, Cadiz, Spain Tel: +34 956 671 000 Fax: +34 956 671 127	Spain	Common Share	6,000	100.00%

PTA & Paraxylene & NDC Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Ventures Xylenes & PTA LLC 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808, USA Tel: +1 302 636-5401 Fax: +1 302 636-5454	USA	(Membership Interest)	-	100.00%

PET Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Polymers Public Company Limited 75/102, 103 Ocean Tower 2, 37 th Floor, Soi Sukhumvit 19 (Wattana), Asoke Road, Klongtoey Nuer, Wattana, Bangkok 10110, Thailand Tel: +66 2 661 6661 Fax: +66 2 661 6664 - 5	Thailand	Common Share	1,382,197,870	99.59%
2	Asia Pet (Thailand) Limited 75/102 Ocean Tower 2, 37 th Floor, Soi Sukhumvit 19 (Wattana), Asoke Road, Klongtoey Nuer, Wattana, Bangkok 10110, Thailand Tel: +66 2 661 6661 Fax: +66 2 661 6664 - 5	Thailand	Common Share	45,000,000	99.58%
3	Indorama Ventures Polymers (Rayong) Public Company Limited 75/93 Ocean Tower 2, 35 th Floor, Soi Sukhumvit 19 (Wattana), Asoke Road, Klongtoey Nuer, Wattana, Bangkok 10110, Thailand Tel: +66 2 661 6661 Fax: +66 2 661 6664 - 5	Thailand	Common Share	20,021,356	99.98%
4	Guangdong IVL PET Polymer Company Limited No.1 Meihua Road, Shuikou Town, Kaiping City, Guangdong, People's Republic Of China Tel: +86 750 220 9680	China	(Capital Contribution)	-	99.59%
5	UAB Orion Global pet Metalo G.16, Klaipeda, Republic of Lithuania, LT-94102 Tel: +370 846 300684 Fax: +370 846 300749	Lithuania	Common Share	776,880	99.59%

PET Business					
No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
6	Indorama PET (Nigeria) Limited East West Expressway, Eleme, Port Harcourt, Rivers State, Nigeria	Nigeria	Common Share	450,000,000	89.63%
7	Indorama Polymers Workington Limited Siddick, Workington, Cumbria, CA14 1LG, United Kingdom Tel: +44 1900 609375 / +44 1900 609342 Fax: +44 1900 609317	United Kingdom	Common Share	1	99.59%
8	PT. Indorama Polypet Indonesia JL. Raya Anyar Km.121, Kel. Kepuh, Kec. Ciwandan, Cilegon 42445 (Banten), Indonesia Tel: +62 254 602300 Fax: +62 254 602940	Indonesia	Common Share	3,500	100.00%
9	Indorama Ventures Adana PET Sanayi Anonim Sirketi Yolgecen Mah. Turhan Cemal Berikar Blv., Turkey Tel: +90 322 441 0253 - 226 Fax: +90 322 441 0110	Turkey	Common Share	5,489,505,865	100.00%
10	Indorama Ventures Corlu PET Sanayi Anonim Sirketi Karamehmet Mahallesi, Avrupa Serbest Bölgesi, 3. Sokak No: 2 Ergene/Tekirdag - 59860, Turkey Tel: +90 282 691 1100 - 207 Fax: +90 282 691 1008	Turkey	Common Share	16,217,649	100.00%
11	Indorama Ventures Poland Sp.z o.o. ul. Krzywa Gora 19, 87-805 Wloclawek, Poland Tel: +48 54 4166442 Fax: +48 54 4166449	Poland	Common Share	993,988	100.00%
12	Ottana Polimeri S.R.L. Strada Provinciale 17, Km 18, Ottana (NU)-08020, Italy	Italy	Quota	1	50.00%
13	Indorama Ventures Ecomex, S. DE R.L. DE C.V. Carretera Libre a Colotlán 6800. Colonia Extramuros. Zapopan, Jalisco, Mexico Tel: +52 33 1561 3732	Mexico	Equity Quota Class I	2	51.00%
14	Indorama Ventures Polymers Mexico, S. de R.L. de C.V. Prolongacion Paseo De La Reforma 1015 A - Piso 2 Desarrollo Santa Fe Distrito, Federal 01376 Mexico, D.F. Tel: +52 55 9177 5700 Fax: +52 55 5292 4919	Mexico	Equity Quota Class I	2	100.00%
15	Alphapet, Inc. 1301 Finley Island Road, Decatur, Alabama, AL35601, USA Tel: +1 256 308 1180 Fax: +1 256 341 5926	USA	Common Share	4,400	100.00%
16	Auriga Polymers Inc. 1550 Dewberry Road, Spartanburg, SC 29307, USA	USA	Common Share	5,000	100.00%
17	Starpet Inc 801 Pineview Road, Asheboro, North Carolina 27203, USA	USA	Common Share	5,000	100.00%

PET Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
18	Micro Polypet Private Limited Dhunseri House, 4A, 2 nd Floor, Woodburn Park, Kolkata, West Bengal - 700020, India Tel: +91 11 4111 7777 Fax: +91 11 4111 7717	India	Common Share	10,000,000	50.00%
19	IVL Dhunseri Petrochem Industries Limited Dhunseri House, 4A, Woodburn Park, Kolkata-700020, P.S. Bhawanipur, India Tel: +91 33 2283 6128 - 33 Fax: +91 33 2283 6056	India	Common Share	40,000,000	50.00%

Packaging Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Petform (Thailand) Limited 85 Moo 11, Bangnga - Thaklong Road, Khao Samorkorn Sub - district, Thawung District, Lopburi Province, Thailand Tel: +66 36 489 116 Fax: +66 36 489 115,117	Thailand	Common Share	7,500,000	59.74 %
2	Beverage Plastics Limited Silverwood Business Park, 70 Silverwood Road, Lurgan, Craigavon, County Armagh, BT66 6LN, Northern Ireland Tel: +44 283 831 1800 Fax: +44 283 831 1888	Northern Ireland	Common Share	600,000	51.00%
3	Indorama Ventures Packaging (Nigeria) Ltd. Eleme Petrochemicals Complex, East - West Expressway, Eleme, Rivers State, Nigeria Tel : +234 (1) 2793841 Fax: +234 (1) 2793842	Nigeria	Common Share	150,000,000	100.00%
4	Indorama Ventures Packaging (Ghana) Ltd. Plot 234 Meridian Rd. COMM.2 Accra, Greater Accra, BOX CO PMB 350 TEMA GA/R, Ghana Tel: +233 266082249	Republic of Ghana	Common Share	1,949,215	100.00%
5	Indorama Ventures Packaging (Philippines) Corporation Building 1, Southern Luzon Comple, Brgy. Baranggay Batino, Calamba City, Laguna, Philippines Tel: +63 495 303 592/ +63 495 340 036	Philippines	Common Share	1,075,005	99.99%
6	Indorama Ventures Packaging (Myanmar) Limited Lot No. A11-1, Thilawa Special Economic Zone A, Yangon Region, Myanmar Tel: +95-12309022	Myanmar	Common Share	2,943,108	99.59%
7.	Indorama Ventures Packaging (India) Private Limited C 524, Defence Colony, New Delhi - 110024, Delhi, India Tel: +91 11 4163 0033 Fax: +91 11 2433 9075	India	Common Share	140,000	99.98%

Fibers Business					
No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Polyester Industries Public Company Limited 75/92, Ocean Tower 2, 35 th Floor, Soi Sukhumvit 19 (Wattana), Asoke Road, Klongtoey Nuer, Wattana, Bangkok 10110, Thailand Tel : +66 2 661 6661 Fax : +66 2 661 6664 - 5	Thailand	Common Share	2,202,850,000	99.49%
2	ES Fibervisions (Thailand) Co., Ltd. 75/64 Ocean Tower 2, 28 th Floor, Soi Sukhumvit 19 (Wattana), Asoke Road, Klongtoey Nuer, Wattana, Bangkok 10110, Thailand Tel : +66 2 661 6661 Fax : +66 2 661 6664 - 5	Thailand	Common Share	41,000,000	50.00%
3	PT Indorama Polychem Indonesia JL. Desa Kembang Kuning, Kecamatan Jatiluhur, Purwakarta (Jawa Barat) Indonesia Tel : +62 264 207727 Fax : +62 264 211260	Indonesia	Common Share	60,000	100.00%
4	PT. Indorama Ventures Indonesia Desa Cihuni, RT/RW 002/004, Cihuni, Pagedangan, Tangerang, Banten, 15820 Indonesia Tel : +62 215 371111 Fax : +62 215 378811	Indonesia	Series A Series B	80,000 2,812,500	100.00%
5	PT. Indorama Polyester Industries Indonesia JL. Surya Lestari Kav. 1-16A, Kawasan Industry Surya Cipta, Desa Kutamekar, Kec Ciampel, Karawang, 41361, Jawa Barat, Indonesia Tel : +02 674 40501 Fax: +02 674 40764	Indonesia	Common Share	20,000	99.98%
6	Trevira GmbH Max-Fischer-Strasse 11, 86399 Bobingen, Federal Republic of Germany Tel : +49 8234 9688 2100 Fax: +49 8234 9688 5355	Germany	Common Share	25,300	75.00%
7	PHP Fibers GmbH Industrie Center Obernburg, 63784 Obernburg, Germany Tel: +49 6022 81 2552 Fax: +49 6022 81 31 2552	Germany	Common Share	25,001	80.00%
8	Shenma-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd. Pingdingshan City, Henan Province, China Tel: +49 6022 81 2552 Fax: +49 6022 81 31 2552	China	(Capital Contribution)	-	39.20%
9	PHP Fibers Inc. 300 Serrano Way, Scottsboro, AL 35768, USA Tel: +49 6022 81 2552 Fax: +49 6022 81 31 2552	USA	Common Share	1,000	80.00%
10	SafeTweave, Inc. 302 Serrano Way, Scottsboro, AL 35769, USA Tel: +49 6022 81 2552 Fax: +49 6022 81 31 2552	USA	Common Share	1,000	80.00%

Fibers Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
11	FiberVisions A/S Engdragnet 22, Varde Denmark, DK-6800, Denmark Tel: +45 7994 2200 Fax: +45 7994 2201	Denmark	Class A Class B	122,949,441 29,117,600	100.00%
12	FiberVisions (China) Textile Products Ltd. No. 29 Heng Shan Rd., New District, Suzhou, China Tel: +86 512 6823 1099 Fax: +86 512 6823 0021	China	(Capital Contribution)	-	100.00%
13	ES FiberVisions (Suzhou) Co., Ltd. No. 29 Hengshan Rd. Suzhou New District 215011, China Tel: +86 512 6823 1099 Fax: +86 512 6823 0021	China	(Capital Contribution)	-	50.00%
14	FiberVisions Manufacturing Company The Corporation Trust Company, 1209 Orange St., Wilmington, DE 19801, USA Tel: +1 302 658 - 7581 Fax: +1 302 655 - 2480	USA	Common Share	100	100.00%
15	FiberVisions Products, Inc. CT Corporation System, 1202 Peachtree St., Atlanta, GA 30361, USA Tel: +1 800 241 8922 Fax: +1 404 888 7795	USA	Common Share	25,000	100.00%
16	Wellman France Recyclage S.A.S. Zone Industrielle de Regret 55100 Verdun, France Tel: +33 971 002 005 Fax: +33 329 843 104	France	Common Share	500	100.00%
17	Wellman International Limited Mullagh, Kells, Co.Meath, A82 NN93, Ireland Tel: +353 46 9280200 Fax: +353 46 9280300	Ireland	Common Share	1,100,850	100.00%
18	Performance Fibers (Kaiping) Company Limited 3 Hongqiao Road, Changsha, Kaiping, Guangdong Province, People's Republic Of China Tel: +86 750 2278000 Fax: +86 750 2218093	China	(Capital Contribution)	-	100.00%
19	Performance Fibers (Kaiping) No.2 Company Limited 1 Huan Cui Road West, Cuishan Lake New Region, Kaiping, Guangdong Province, People's Republic Of China Tel: +86 750 2278000 Fax: +86 750 2218093	China	(Capital Contribution)	-	100.00%
20	Performance Fibers (Kaiping) No.3 Company Limited Land Lot JCR2016 - 57 (Kaiping 14) B, west of Die Cui Da Road , north of Huan Cui West Road, Cuishanhu New District, Kaiping, Guangdong, China Tel: + (86) 750 - 2201707 Fax: + (86) 750 - 2218093	China	(Capital Contribution)	-	100.00%

Wool Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Holdings Limited 75/64, 65 Ocean Tower 2, 28 th Floor, Soi Sukhumvit 19 (Wattana), Asoke Road, Klongtoey Nuer, Wattana, Bangkok 10110, Thailand Tel: +66 2 661 6661 Fax: +66 2 661 6664 - 5	Thailand	Common Share	77,446,800	99.81%

Holding Company Business					
No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indo Polymers Mauritius Limited Les Cascades, Edith Cavell Street, Port Louis, Republic of Mauritius	Mauritius	Common Share	971,232,448	100.00%
2	Indorama Netherlands Cooperatief U.A. Markweg 201, 3198NB Europoort, Rotterdam, Netherlands Tel: +31 181 285 400 Fax: +31 181 285 405	Netherlands	(Ownership Interest)	-	100.00%
3	Indorama Netherlands B.V. Markweg 201, 3198NB Europoort, Rotterdam, Netherlands Tel: +31 181 285 400 Fax: +31 181 285 405	Netherlands	Common Share	18,000	100.00%
4	Beacon Trading (UK) Limited 23 Northiam, Woodside Park, N 12 7ET, London, United Kingdom	United Kingdom	Common Share	70,000	99.81%
5	Beverage Plastics (Holdings) Limited Silverwood Business Park, 70 Silverwood Road, Lurgan Craigavon, County Armagh, BT 66 6 LN, Northern Ireland Tel: +44 2838311800 Fax: +44 2838311888	Northern Ireland	Class A Class B Class C	5,100 2,450 2,450	51.00%
6	KP Equity Partners Inc. Lot 2&3, Level 3, Wisma Lazenda, Jalan, Kemajuan, 87000 F.T. Labuan, Malaysia Tel: +60 87 414 073 Fax: +60 87 413 281	Malaysia	Common Share	10,000	100.00%
7	Trevira Holdings GmbH Max-Fischer-Strasse 11, 86399 Bobingen, Federal Republic of Germany	Germany	Common Share	25,000	75.00%
8	Indorama Ventures Recycling Netherlands B.V. Markweg 201, 3198 NB Europoort, Rotterdam, Netherlands Tel: +31 181 285 400	Netherlands	Common Share	18,000	100.00%
9	Indorama Ventures Holdings LP Corporation Service Company, 2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808, USA	USA	(Partnership Interest)	-	100.00%
10	Indorama Ventures USA Holdings LP Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA	USA	(Partnership Interest)	-	100.00%
11	Indorama Ventures Performance Fibers Holdings USA, LLC Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA Tel: +1 302 636-5401 Fax: +1 302 636-5454	USA	(Membership Interest)	-	100.00%
12	FiberVisions Corporation The Corporation Trust Company, 1209 Orange St., Wilmington, DE 19801, USA Tel: +1 678 578 7240 Fax: +1 678 578 7276	USA	Common Share	1,000	100.00%

Holding Company Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
13	FiberVisions (China) A/S Engdragnet 22, Varde Denmark, DK - 6800, Denmark Tel: +45 7994 2200 Fax: +45 7994 2201	Denmark	Common Share	100,000	100.00%
14	ES FiberVisions Holdings Aps Engdragnet 22, Varde Denmark, DK- 6800, Denmark Tel: +45 7994 2200 Fax: +45 7994 2201	Denmark	Common Share	48,500	50.00%
15	Indorama Ventures OGL Holdings LP Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA	USA	(Partnership Interest)	-	100.00%
16	FiberVisions, L.P. 3700 Crestwood Pkwy, Suite 900, Duluth, GA 30096, USA Tel: +1 302 658 - 7581 Fax: +1 302 655 - 2480	USA	(Partnership Interest)	-	100.00%
17	ES FiberVisions, Inc. 3700 Crestwood Parkway, Suite 900, Duluth, GA 30096, USA Tel: +1 302 636 5401 Fax: +1 302 636 5454	USA	Common Share	100	50.00%
18	IVL Holding, S. de R.L. de C.V. Avenida Prolongación Paseo de la Reforma 1015, Torre A piso 2, Colonia Santa Fe Cuajimalpa CP 05348, Delegación Cuajimalpa de Morelos, Ciudad de México, México Tel: +52 55 91775700 Fax: +52 55 52924919	Mexico	Equity Quota Series A	2	100.00%
19	Grupo Indorama Ventures, S.de R.L. de C.V. Avenida Prolongación Paseo de la Reforma 1015, Torre A piso 2, Colonia Santa Fe Cuajimalpa CP 05348, Delegación Cuajimalpa de Morelos, Ciudad de México, México Tel: +52 55 91775700 Fax: +52 55 52924919	Mexico	Equity Quota Class I	2	100.00%
20	Indorama Ventures Polyholding LLC 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808, USA	USA	(Membership Interest)	100	100.00%
21	Indorama Polymers (USA) LLC 1301 Finley Island Road, Decatur, Alabama, AL 35601, USA Tel: +1 256 308 1180 Fax: + 1 256 341 5926	USA	(Membership Interest)	-	100.00%
22	Indorama Ventures USA LLC 2711 Centerville Road, Suite 400, Wilmington, New Castle Country, Delaware 19808, USA	USA	(Membership Interest)	-	100.00%
23	IVL Belgium N.V. Jules Bordetlaan 160, 1140 Evere, Belgium	Belgium	Common Share	30,615	99.99%
24	UAB Ottana Polimeri Europe Metalog G.16, Klaipeda, Republic of Lithuania, LT-94102	Lithuania	Common Share	21,072,080	50.00%

Holding Company Business					
No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
25	Performance Fibers Holdings Finance, Inc. The Corporation Trust Company, 1209 Orange St., Wilmington, DE 19801, USA Tel: +1 678 578 7247 Fax: +1 678 578 7276	USA	Common Share	100	100.00%
26	Performance Fibers Asia Holdings, LLC Corporation Trust Center, 1209 Orange St., Wilmington, Delaware 19801, USA Tel: +1 678 578 7247 Fax: +1 678 578 7276	USA	(Membership Interest)	-	100.00%
27	Performance Fibers Asia, LLC Corporation Trust Center, 1209 Orange St., Wilmington, Delaware 19801, USA Tel: +1 678 578 7247 Fax: +1 678 578 7276	USA	(Membership Interest)	-	100.00%
28	Indorama Ventures Northern Investments Inc. 10200 rue Sherbrooke E., Montreal-Est, Quebec H1B 1B4, Canada Tel: +1 514 645 7887 Fax: +1 514 645 9115	Canada	Class A Class B Class C	10,401 149,889,750 256,766,500	100.00%
29	Indorama Ventures Gestion Inc. 10200 rue Sherbrooke E., Montreal-Est, Quebec H1B 1B4, Canada Tel: +1 514 645 7887 Fax: +1 514 645 9115	Canada	Common Share	100	100.00%
30	Indorama Ventures Dutch Investments B.V. Markweg 201, 3198NB Europoort, Rotterdam, Netherlands Tel: +31 181 285 400 Fax: +31 181 285 405	Netherlands	Common Share	8,914,320	51.00%
31	Indorama Ventures Investments USA LLC 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808, USA Tel: +1 302 636 5401 Fax: +1 302 636 5454	USA	(Membership Interest)	-	51.00%
32	Indorama Ventures Olefins Holding LLC 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808, USA Tel: +1 302 636 5401 Fax: +1 302 636 5454	USA	(Membership Interest)	-	100.00%
International Headquarter Business					
No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Ventures Global Services Limited 75/80-81 Ocean Tower 2, 32 nd Floor, Soi Sukhumvit 19 (Wattana), Asoke Road, Klongtoey Nuer, Wattana, Bangkok 10110, Thailand Tel: + 66 2 661 6661 Fax: + 66 2 661 6664 - 5	Thailand	Common Share	332,000,000	99.99%

Trading & Services Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	IVL Singapore Pte. Ltd. 133 Cecil Street, #13 - 03 Keck Seng Tower, Singapore 069535	Singapore	Common Share	19,000,000	99.59%
2	UAB Indorama Polymers Europe Metalo G.16, LT - 94102 Klaipeda, Republic of Lithuania Tel: + 370 46 300749 Fax: + 31 181 285 405	Lithuania	Common Share	725,088	99.59%
3	UAB Indorama Holdings Europe Metalo G.16, LT-94102 Klaipeda, Republic of Lithuania Tel: + 370 46 300749 Fax: + 370 46 314323	Lithuania	Common Share	1,173,952	99.81%
4	Indorama Trading (UK) Limited 23 Northiam, Woodside Park, N12 7ET, London, United Kingdom	United Kingdom	Common Share	10,000	99.81%
5	Indorama Trading AG Strengelbacherstrasse 1, CH 4800 Zofingen, Switzerland	Switzerland	Common Share	100	99.81%
6	PHP-Shenma Air Bag Yarn Marketing (Shanghai) Co. Ltd. China Merchants Plaza, East Building, Room 1107, No 333 Cheng Du Road (North), Shanghai 200041, China Tel: +49 6022 81 2552 Fax: +49 6022 81 31 2552	China	(Capital Contribution)	-	40.80%
7	ES FiberVisions Shanghai Co., Ltd. Room 2401-B, Manpo Plaza, 500 Yan An West Road, Shanghai, China Tel : +86 (0)21 6212 5877 Fax : +86 (0)21 6226 8829	China	(Capital Contribution)	-	50%
8	Performance Fibers (Kaiping) Trading Company Limited No.3 Hongqiao Road Kaiping, Guangdong Province, PRC. Tel : (86) 750-2201707 Fax : (86) 750-2218093	China	(Capital Contribution)	-	100%
9	TTI GmbH Kasinostr. 19 - 21, 42103 Wuppertal, Germany Tel: +49 6022 81 2552 Fax: +49 6022 81 31 2552	Germany	Common Share	25,100	40.00%
10	Trevira North America, LLC 5206 Leonardslee CT, Charlotte, Mecklenburg County, North Carolina, 28226, USA	USA	(Membership Interest)	-	75.00%
11	ES FiberVisions Company Limited 3-3-23 Nakanoshima, Kita-Ku, Osaka 530 - 0005, Japan Tel: +81 6 6441 3307 Fax: +81 6 6441 3347	Japan	Common Share	200	50.00%
12	ES Fiber Visions LP Entity Services (Nevada) LLC, 2215- B Renaissance Dr., Suite 10, Las Vegas, NV 89119, USA Tel: +1 706 357 5100 Fax: +1 706 966 4247	USA	(Partnership Interest)	-	50.00%

Trading & Services Business					
No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
13	Indorama Ventures Alphapet Holdings, Inc. Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware 19808, USA	USA	Common Share	100	100.00%
14	ES FiberVisions ApS Engdragnet 22, Varde Denmark, DK- 6800 Tel: +45 7994 2200 Fax: +45 7994 2201	Denmark	Common Share	10,000	50.00%
15	Indorama Ventures Ecomex Services, S. DE R.L. DE C.V. Carretera Libre a Colotlan 6800. Colonia Extramuros, Zapopan, Jalisco, Mexico Tel: +52 5533 1561 3732	Mexico	Equity Quota Class I	2	51.00%
16	Indorama Ventures Polycor, S. de R.L. de C.V. Avenida Prolongación Paseo De La Reforma 1015, Torre A piso 2, Colonia Santa Fe Cuajimalpa CP 05348, Delegación Cuajimalpa de Morelos, Ciudad de México, México Tel: +52 55 91775700 Fax: +52 55 52924919	Mexico	Equity Quota Class I	2	100.00%
17	Indorama Ventures Servicios Corporativos, S. de R.L. de C.V. Avenida Prolongación Paseo de la Reforma 1015, Torre A piso 2, Colonia Santa Fe Cuajimalpa CP 05348, Delegación Cuajimalpa de Morelos, Ciudad de México, México Tel: +52 55 91775700 Fax: +52 55 52924919	Mexico	Equity Quota Class I	2	100.00%
18	Indorama Ventures Mexico Assets, S. de R.L.de C.V. Avenida Prolongación Paseo de la Reforma 1015, Torre A piso 2, Colonia Santa Fe Cuajimalpa CP 05348, Delegación Cuajimalpa de Morelos, Ciudad de México, México Tel : (52) (55) 91775700 Fax : (52) (55) 52924919	Mexico	Equity Quota Class I	2	100%
19	Performance Fibers (Hongkong) Limited Room 2701, Olympia Plaza, 255 Kings Road, North Point, Hongkong Tel. : + 852 25661063 Fax: + 852 21100033	Hongkong	Common Share	1,000	99.99%
20	ES FiberVisions HongKong Limited Unit No. 2810. 28/F, The Metropolis Tower, 10 Metropolis Drive, Hunghom, Kowloon, Hong Kong Tel: +852 2970 5555 Fax: +852 2970 5678	HongKong	Common Share	616,010	50.00%
21	4200144 Canada Inc. 3400 First Canadian Centre, 350 - 7 th Avenue SW, Calgary, Alberta T2P 3N9, Canada Tel: +1 514 645 7887 (229) Fax: +1 514 645 9115	Canada	Class A	100	100.00%

Logistic Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Ventures Logistics LLC Corporation Service Company, 2711 Centerville Rd, Ste 400, Wilmington, Delaware 19808, USA Tel: +1 847 943 3100 Fax: +1 847 607 9941	USA	(Membership Interest)	-	100.00%

Non-Operating Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Polymers Rotterdam B.V. Markweg 201, 3198 NB, Europoort, Harbour No.6347, Rotterdam, Netherlands Tel: +31 181 285 400 Fax: +31 181 285 405	Netherlands	Common Share	18,000	99.59%
2	Indorama Holdings Rotterdam B.V. Markweg 201, 3198 NB, Europoort, Rotterdam, Netherlands Tel: +31 181 285 400 Fax: +31 181 285 405	Netherlands	Common Share	18,000	99.81%
3	MJR Recycling B.V. Tengnagelwaard 5, NL-6917 AE Spijk(Gld), Netherlands Tel: +31 656 6250 Fax: +31 656 6251	Netherlands	Common Share	18,100	100.00%
4	FiberVisions Vermögensverwaltungsgesellschaft mbH Local Court of Dusseldorf, Werdener Straße 1, 40227 Düsseldorf, Germany Tel: +49 211 8306 0 Fax: +49 211 87565 116 0	Germany	Common Share	3,000,000	100.00%
5	Eternity Infrabuild Private Limited Dhunseri House, 4A, 2 nd Floor, Woodburn Park, Kolkata - 700020, West Bengal (India), India Tel: +91 11 4111 7777 Fax: +91 11 4111 7717	India	Common Share	2,000,000	50.00%
6	Sanchit Polymers Private Limited Dhunseri House, 4A, 2 nd Floor, Woodburn Park, Kolkata - 700020, West Bengal (India), India Tel: +91 11 4111 7777 Fax: +91 11 4111 7717	India	Common Share	2,000,000	50.00%
7	ES FiberVisions China Limited No. 305, 7Sone, Trade Bldg., GuangBao Rd., Guangzhou Free Trade Zone, China Tel: +86 20 8220 9018 Fax: +86 20 8220 9973	China	(Capital Contribution)	-	50.00%



BOARD of Directors

Mr. Sri Prakash Lohia



Position

- Chairman

Director Type

- Non – Executive Director

Age

- 64

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 Companies and/or Organizations (as of 31 December 2016)

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

% of shareholding in IVL As of 31 December 2016

- -None-



Mr. Aloke Lohia

Position

- 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

Director Type

- Executive Director

Age

- 58

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 Companies and/or Organizations (as of 31 December 2016)

2016 - Present	• Director Viraa Limited
2015 - Present	• Director Capialla Limited
2014 - Present	• Director Aurelius Holdings Limited
2012 - Present	• Vega Aviation Limited
2012 - Present	• IRW Associated Limited
2012 - Present	• Director Brookgrange Investments Limited
2012 - Present	• Commissioner PT. Indorama Polypet Indonesia
2012 - Present	• Chairman Indorama Polyester Industries PCL

2011 - Present	• Director Auctus Holdings Limited
2011 - Present	• Commissioner PT. Indorama Polychem Indonesia
2011 - Present	• Commissioner PT. Indorama Petrochemicals
2011 - Present	• Commissioner PT. Indorama Ventures Indonesia
2011 - Present	• Commissioner PT. Indorama Polyester Industries Indonesia
2009 - Present	• Chairman Indorama Resources Ltd.
2009 - Present	• Director Indorama Petrochem Ltd.
2008 - Present	• Director TPT Petrochemicals PCL
2008 - Present	• Chairman Beacon Chemicals Ltd.
2007 - Present	• Chairman Cryoviva (Thailand) Ltd.
2004 - Present	• Director Canopus International Ltd.
2004 - Present	• Chairman Indorama Polymers PCL
2001 - Present	• Chairman Asia Pet (Thailand) Ltd.
1997 - Present	• Director VOX Investment Limited
1996 - Present	• Director Petform (Thailand) Ltd.
1994 - Present	• Chairman Indorama Holdings Ltd.
1987 - Present	• Chairman Aurus Specialty Company Limited

% of shareholding in IVL As of 31 December 2016

- 10 shares or 0.00%



Mrs. Suchitra Lohia

Position

- Director and Chairperson of the Corporate Social Responsibility Committee

Director Type

- Executive Director

Age

- 52

Appointment Date of Directorship

- 19 September 2009

Education

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

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 Companies and/or Organizations (as of 31 December 2016)

2016 - Present	• Director Viraa Limited
2015 - Present	• Director Capialla Limited
2015 - Present	• Director QAMA Investment Limited
2014 - Present	• Director Aurelius Holdings Limited
2012 - Present	• Director Vega Aviation Limited
2012 - Present	• Director IRW Associated Limited
2012 - Present	• Director Brookgrange Investments Limited

2012 - Present	• Chairperson Indorama Petrochem Ltd.
2011 - Present	• Director Auctus Holdings Limited
2011 - Present	• Commissioner PT. Indorama Polychem Indonesia
2011 - Present	• Commissioner PT. Indorama Petrochemicals
2011 - Present	• Commissioner PT. Indorama Ventures Indonesia
2011 - Present	• Commissioner PT. Indorama Polyester Industries Indonesia
2011 - Present	• Commissioner PT. Indorama Polypet Indonesia
2011 - Present	• Chairperson TPT Petrochemicals PCL
2009 - Present	• Director Indorama Resources Ltd.
2008 - Present	• Director Indorama Polyester Industries PCL
2008 - Present	• Director Beacon Chemicals Ltd.
2007 - Present	• Director Canopus International Ltd.
2007 - Present	• Director Indorama Polymers PCL
2001 - Present	• Director Asia Pet (Thailand) Ltd.
1997 - Present	• Director VOX Investment Limited
1996 - Present	• Director Petform (Thailand) Ltd.
1994 - Present	• Director Indorama Holdings Ltd.
1987 - Present	• Director Aurus Speciality Co. Ltd.

% of shareholding in IVL As of 31 December 2016

- -None-



Mr. Amit Lohia

Position

- Director

Director Type

- Non-Executive Director

Age

- 42

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 Companies and/or Organizations (as of 31 December 2016)

2016 - Present	• Director Indorama Services UK Limited
2014 - Present	• Director Indorama Chimiques Du Senegal S.A., Senegal
2013 - Present	• Vice President Commissioner PT. Indo-Rama Synthetics Tbk
2012 - Present	• Director Indorama Eleme Fertilizer & Chemicals Limited
2011 - Present	• Commissioner PT. Indorama Ventures Indonesia
2011 - Present	• Commissioner PT. Indorama Polyester Industries Indonesia
2011 - Present	• Commissioner PT. Indorama Polychem Indonesia
2011 - Present	• Commissioner PT. Indorama Polypet Indonesia
2011 - Present	• Commissioner PT. Indorama Petrochemicals
2011 - Present	• Director Indorama Commerce DMCC, Dubai
2009 - Present	• Director UIB Insurance Brokers (India) Private Ltd.
2009 - Present	• Vice Chairman Indorama Corporation Pte. Ltd.
2006 - Present	• Director Indorama Eleme Petrochemicals Ltd.
2004 - Present	• Director Isin International Pte. Ltd.

% of shareholding in IVL As of 31 December 2016

- -None-

Mr. Dilip Kumar Agarwal



Position

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

Director Type

- Executive Director

Age

- 59

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 Companies and Organizations (as of 31 December 2016)

- 2016 - Present • Vice Chairman IVL Dhunseri Petrochem Industries PCL
- 2016 - Present • Chairman Indorama Ventures Quimica S.L.U.
- 2016 - Present • Manager Indorama Ventures Xylenes & PTA LLC
- 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 • Chairman Indorama Ventures Polymers (Rayong) PCL
- 2014 - Present • Chairman Indorama Ventures Adana PET Sanayi Anonim Sirketi
- 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 2016

- -None-



Mr. Udey Paul Singh Gill

Position

- Director, Member of Sustainability and Risk Management Committee and Chief Executive Officer of Fibers Business

Director Type

- Executive Director

Age

- 63

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 Companies and/or Organizations (as of 31 December 2016)

2016 - Present	• Director Performance Fibers (Kaiping) No.3 Company Limited
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 2016

- -None-

Mr. Rathian Srimongkol



Position

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

Director Type

- Independent Director

Age

- 57

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
- Thai Institute of Directors, Thailand
 - Director Certification Program Class No. 8/2001
 - Role of the Chairman Program Class No. 19/2008
 - Financial Statements Demystified for Director Class No.1/2009

Working Experience (during the past 5 years)

Other Listed Companies in SET

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

Other Companies and/or Organizations (as of 31 December 2016)

- 2015 - Present
 - Director Thai Listed Companies Association
- 2004 - 2012
 - Performance Agreement Subcommittee Organization Management (Internal Audit and Internal Control) Ministry of Finance
- 2001 - 2012
 - Performance Agreement Subcommittee (Energy Sector) Ministry of Finance

% of shareholding in IVL As of 31 December 2016

- 262,000 shares or 0.005%



Mr. William Ellwood Heinecke

Position

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

Director Type

- Independent Director

Age

- 67

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

- Minor International Public Company Limited and its subsidiaries
Chairman and Chief Executive Officer

Other Companies and/or Organizations (as of 31 December 2016)

Present

- Chairman
Minor Corporation Public Company Limited and its subsidiaries

Present

- Chairman
The Minor Food Group Public Company Limited and its subsidiaries

Present

- Director
Rajadamri Hotel Public Company and its subsidiaries

Present

- Director
Pacific Cross International Ltd.

% of shareholding in IVL As of 31 December 2016

- 4,344,932 shares or 0.09%



Mr. Maris Samaram

Position

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

Director Type

- Independent Director

Age

- 74

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

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

Working Experience (during the past 5 years)

Other Listed Companies in SET

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

Other Companies and/or Organizations (as of 31 December 2016)

- 2005 - Present • Director
PAC (Siam) Co., Ltd.
- 2004 - Present • Director
Marsh PB Co., Ltd.
- 2013 - 2015 • Independent Director and Chairman of the Audit Committee
Akara Resources Public Company Limited

% of shareholding in IVL As of 31 December 2016

- -None-



Dr. Siri Ganjarerndee

Position

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

Director Type

- Independent Director

Age

- 68

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.E. (Hons.) Economic Statistics, University of Sydney, Australia

Training Program

- Thai Institute of Directors, Thailand
 - Director Accreditation Program Class No. 4/2003,
 - Director Certification Program Class No. 60/2005,
 - Audit Committee Program Class No. 6/2005,
- 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 • Samitivej PCL
Independent Director and Member of the Audit Committee
- 2014 - Present • Raimon Land PCL
Independent Director and Member of the Audit Committee
- 2000 - Present • The Post Publishing PCL
Independent Director and Chairman of the Audit Committee
- 2000 - Present • Thai Vegetable Oil PCL
Vice Chairman and Chairman of the Audit Committee
- 1999 - Present • Bangkok Life Assurance PCL
Independent Director, Chairman of the Nomination and Remuneration Committee, and Member of Executive Committee

Other Companies and/or Organizations (as of 31 December 2016)

- 2016 - Present • Chairman of the Board of Director TRIS Rating Ltd.
- 2003 - Present • Director TRIS Corporation Ltd.

% of shareholding in IVL As of 31 December 2016

- -None-



Mr. Kanit Si

Position

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

Director Type

- Independent Director

Age

- 66

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 • Bangkok Bank Public Company Limited
Executive Vice President

Other Companies and/or Organizations (As of 31 December 2016)

- 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 2016

- 200,000 shares or 0.00%



Mr. Russell Leighton Kekuewa

Position

- Independent Director and Member of the Sustainability and Risk Management Committee

Director Type

- Independent Director

Age

- 62

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

- 2016 - Present • The Post Publishing Public Company Limited Independent Director

Other Companies and/or Organizations (as of 31 December)

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

% of shareholding in IVL As of 31 December 2016

- 489,000 shares or 0.01%

Mr. Chakramon Phasukavanich



Position

- Independent Director

Director Type

- Independent Director

Age

- 68

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

- The National Defense College of Thailand (Class 39), Thailand
- Thai Institute of Directors, Thailand
 - Certificate, Senior Executive Development Program (Class 12)
 - Director Accreditation Program Class No. 20/2004,
 - Financial for Non-Financial Director Class No. 13/2004,
 - Audit Committee Program Class No. 14/2006,
 - Director Certification Program Class No. 71/2006,
 - Role of the Chairman Program Class No. 20/2008,
 - Current Issue Seminar Class No. 1/2008,
 - Director Forum Class No. 1/2009,
 - Monitoring the System of Internal Control and Risk Management Class No.9/2010
 - Advanced Audit Committee Programs Class No.3/2010
 - Financial Institutions Governance Program Class No.2/2011
- Certificate, Senior Executive Development Program Capital Market Academy Class 11 (2011), Thailand

Working Experience (during the recent 5 years)

Other Listed Companies in SET

- 2016 - Present • CIMB Thai Bank PCL
Chairman of the Board
- 2015 - Present • P.C.S. Machine Group Holding PCL
Chairman

Other Companies and/or Organizations (as on 31 December 2016)

- Present • President
Investor Club Association
- 2004 - Present • Member
Office of the Council of State
- 2014 - 2015 • Ministry of Industry
The Prime Minister's Office
- 2011 - 2015 • Member
Public Sector Development Commission Thailand (OPDC)
- 2013 - 2014 • Independent Director and Member of the Audit Committee
Akara Resources PCL
- 2010 - 2014 • Member
CIMB Southeast Asia Research
- 2009 - 2012 • Committee Member
Council of Burapha University/University

% of shareholding in IVL As of 31 December 2016

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



Mr. Sanjay Ahuja

Position

- Director and Chief Financial Officer

Director Type

- Executive Director

Age

- 48

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 Companies and/or Organizations (as of 31 December 2016)

- 2016 - Present • Director
IVL Dhunseri Petrochem Industries Limited
- 2016 - Present • Director
Micro Polypet Private Limited
- 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.

% of shareholding in IVL As of 31 December 2016

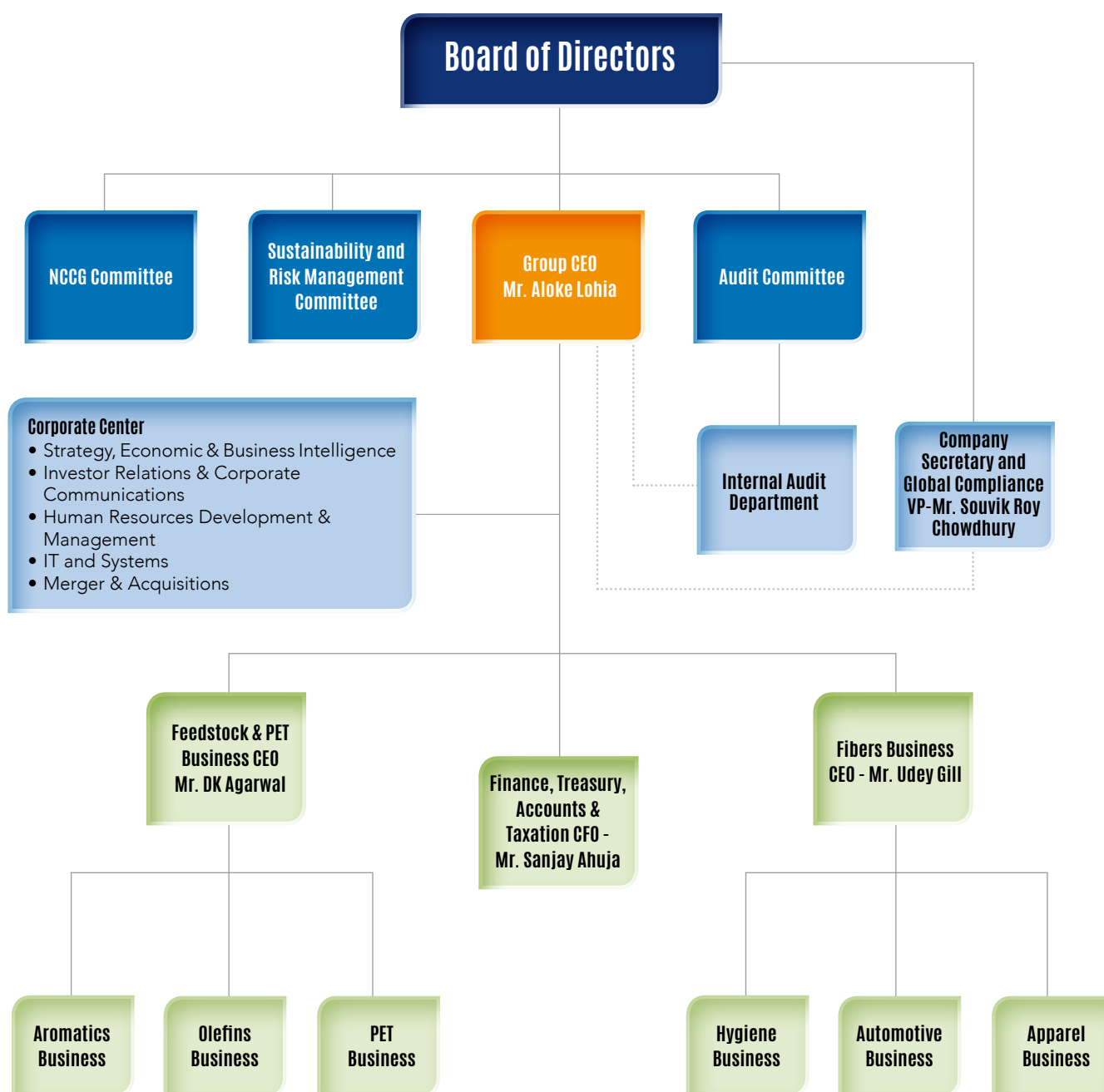
- -None-



Vanguard

The company is at the forefront of innovation in the fiber space and continues to develop new ideas for our customers. We have engaged in diverse industrial markets including automobile, where our polyester is used as material for different parts.

MANAGEMENT STRUCTURE



The Board of Directors

As of 31 December 2016, IVL's Directors are:

Name	Position	Appointment Date of Directorship
1. Mr. Sri Prakash Lohia	Chairman of the Board	19 September 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	19 September 2009
3. Mrs. Suchitra Lohia	Director and Chairperson of Corporate Social Responsibility Committee	19 September 2009
4. Mr. Amit Lohia	Director	19 September 2009
5. Mr. Dilip Kumar Agarwal	Director, Member of the Sustainability and Risk Management Committee and Chief Executive Officer of Feedstock and PET Business	27 April 2010
6. Mr. Udey Paul Singh Gill	Director, Member of the Sustainability and Risk Management Committee and Chief Executive Officer of Fibers Business	27 April 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	19 September 2009
8. Mr. William Ellwood Heinecke	Independent Director, Chairman of the Nomination, Compensation and Corporate Governance	19 September 2009
9. Mr. Maris Samaram	Independent Director, Member of the Audit Committee and Member of the Sustainability and Risk Management Committee	27 April 2010
10. Dr. Siri Ganjarerndee	Independent Director, Member of the Audit Committee and Member of the Nomination, Compensation and Corporate Governance Committee	27 April 2010
11. Mr. Kanit Si	Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee	27 April 2010
12. Mr. Russell Leighton Kekuwa	Independent Director and Member of the Sustainability and Risk Management Committee	20 October 2014
13. Mr. Chakramon Phasukavanich	Independent Director	13 November 2015
14. Mr. Sanjay Ahuja	Director and Chief Financial Officer	13 November 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 Kekuwa 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 2016						
Name	Board of Directors (5 times)	Audit Committee (6 times)	Nomination, Compensation and Corporate Governance Committee (3 times)	Sustainability and Risk Management Committee (2 times)	Independent Directors (1 time)	AGM
1. Mr. Sri Prakash Lohia	4/5	-	-	-	-	1/1
2. Mr. Alope Lohia	4/5	-	3/3	2/2	-	1/1
3. Mrs. Suchitra Lohia	4/5	-	-	-	-	1/1
4. Mr. Amit Lohia	5/5	-	-	-	-	1/1
5. Mr. Dilip Kumar Agarwal	4/5	-	-	2/2	-	1/1
6. Mr. Udey Paul Singh Gill	5/5	-	-	2/2	-	1/1
7. Mr. Rathian Srimongkol	5/5	6/6	-	2/2	1/1	1/1
8. Mr. William Ellwood Heinecke	2/5	-	3/3	-	1/1	1/1
9. Mr. Maris Samaram	5/5	6/6	-	2/2	1/1	1/1
10. Dr. Siri Ganjarerndee	5/5	6/6	3/3	-	1/1	1/1
11. Mr. Kanit Si	4/5	-	3/3	-	1/1	1/1
12. Mr. Russell Leighton Kekuewa	5/5	-	-	2/2	1/1	1/1
13. Mr. Chakramon Phasukavanich	5/5	-	-	-	1/1	0/1
14. Mr. Sanjay Ahuja	5/5	-	-	-	-	1/1

Executives

As of 31 December 2016, 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. Udey Paul Singh Gill	Chief Executive Officer of Fibers Business
5. Mr. Sanjay Ahuja	Chief Financial Officer
6. Mr. Manoj Sharma	Head of Account
7. Mr. Souvik Roy Chowdhury	Company Secretary and Global Compliance



The Company Secretary

The Board of Directors of the Company has appointed Mr. Souvik Roy Chowdhury as the Company Secretary effective 15 February 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 31 August 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.



MAJOR SHAREHOLDERS

MAJOR SHAREHOLDERS

Indorama Ventures Public Company Limited

(as of December 31, 2016)

Top Ten Major Shareholders

No.	Shareholders	No. of Shares	%
1.	Indorama Resources Ltd. ¹	3,066,038,376	63.69
2.	Thai NVDR Ltd.	266,781,930	5.54
3.	Bangkok Bank PCL. ²	230,180,944	4.78
4.	Canopus International Limited ¹	130,000,000	2.70
5.	Mr. Thaweechat Chulangkul ³	66,300,400	1.38
6.	GIC Private Limited	46,870,000	0.97
7.	State Street Bank Europe Limited	40,740,656	0.85
8.	Mr. Watchara Kaewsawang	37,550,000	0.78
9.	HSBC (Singapore) Nominees PTE Ltd.	37,077,188	0.77
10.	Chase Nominees Limited	27,063,498	0.56

Remarks:	¹ Group of Lohia Family	No. of Shares	%
	• 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 50% 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 50%, in Canopus International Limited.		
	² Group of Bangkok Bank	No. of Shares	%
	• Bangkok Bank PCL.	230,180,944	4.78
	• Bangkok Insurance PCL.	449,944	0.01
	³ Group of Chulangkul Family	No. of Shares	%
	• Mr. Thaweechat Chulangkul	66,300,400	1.38
	• Mr. Sakulthorn Jungrunreangkit	14,000	0.00

IVL GLOBAL AWARDS 2016



ROBECOSAM
Sustainability Award
Bronze Class 2017

Indorama Ventures Pcl. has been listed in the RobecoSAM's Sustainability Year book 2017 and recognized as Bronze Class in the Chemicals industry.



FTSE4Good

Indorama Ventures Pcl. has been listed in the FTSE4Good Emerging Index and the FTSE4Good ASEAN 5 Index.



**TRANSPARENCY
INTERNATIONAL**

IVL is rated at the top among Thai companies and ranked at 20 out of 100 multinational corporates from 15 emerging markets in the 2016 Transparency in Corporate Reporting- Assessing Emerging Market Multinationals.



IVL has participated in CDP Climate Change Assessment for the first time in 2016 and has achieved 'B' Rating.



IVL Global awards 2016

1. **Best PET supplier at the European Plastics Converters (EuPC) Annual Meeting 2016**
to Indorama Ventures Pcl.
From European Plastics Converters.
2. **Exceeding the compliance of the Labor Law and Regulations**
to Indorama Ventures Polymers Mexico
From The Secretariat of Labor and Social Welfare.
3. **The Platinum Award on Excellence in Governance, CSR and Investor Relations benchmarking and Best Investor Relations Team Award.**
to Indorama Ventures Pcl.
From Asset Corporate Awards 2016.
4. **Sustainability Report Award 2016 in the category of Outstanding Reporting and Thailand Sustainability Investment (THSI).**
to Indorama Ventures Pcl.
From the Stock Exchange of Thailand
5. **The ESG100 Certificate for outstanding sustainability performance on the basis performance on the basis of Environmental, Social and Governance (ESG)**
to Indorama Ventures Pcl
From Thaipat Institute.
6. **The Investor's Choice Award**
to Indorama Ventures Pcl.
From the Thai Investor Association.
7. **A Gold award, the QCC Presentation**
to Indorama Polyester Industries Pcl. (Nakhon Pathom)
From the QCC Presentation at the National Level at Bali, Indonesia.
8. **The "Best Product" in the base layer apparel category in the 2016**
to Indorama Holdings Limited's customer Global Merino Company
From ISPO Textrends.
9. **The Thailand Green Design Award 2016 in the category Product for Energy Saving (Business Enterprise)**
to Indorama Polymers Pcl.
From Kasetsart University
10. **The Carbon Reduction Label Award**
to Indorama Petrochem Limited
From the Thailand Environment Institute.
11. **The Environmental Governance Award 2016 (Green Star Project)**
to Indorama Petrochem Limited
From Industrial Estate Authority of Thailand (IEAT)
12. **Outstanding Establishment on Safety Occupational Health and Environment Award, National Level**
to Indorama Polyester Industries Pcl (Nakhon Pathom) and Indorama Petrochem Limited
From The department of Labour Protection and Welfare, Ministry of Labour.
13. **Thailand's Model Organization on Labor Relations Management Award 2016**
to Indorama Petrochem Limited
From The Ministry of Labour.
14. **The Excellent River Conservation and restoration Award 2016**
to Polyester Industries Pcl. (Nakhon Pathom) and AsiaPet (Thailand) Limited
From the Minister of Industry.
15. **The Excellent Role Model Establishment Award on Safety, Occupational Health and Working Environment 2016 (Provincial Level)**
to Indorama Holdings Limited
From the Ministry of Labour.
16. **The Outstanding Establishment of the Year 2015 (National Level) Award**
to Indorama Polyester Industries Pcl. (Nakhon Pathom)
From the Department of Skill Development, Ministry of Labor .
17. **The Zero Accident Campaign 2016 Award**
Recipients
 - AsiaPet Limited
 - Indorama Polymers Pcl.
 - Petform (Thailand)
 - Indorama Petrochem Limited
 From The Ministry of Labor.
18. **A certificate on the Standard on Prevention and Solution to Drug Problems in an Establishment**
to TPT Petrochemicals Pcl.
From The department of Labour Protection and Welfare of Rayong
19. **CSR-DIW Continuous Awards** Recipients
 - Indorama Polyester Industries (Nakhon Pathom) Pcl.
 - AsiaPet (Thailand) Ltd.
 - Indorama Polymers Pcl.
 - Petform (Thailand) Ltd.
 - Indorama Holdings Ltd.
 - Indorama Petrochem Ltd.
 - TPT Petrochemicals Pcl.
 From the Department of Industrial Works, Ministry of Industry,
20. **Honorable Awards for Excellent Establishment on Labor Relations and Welfare 2016** Recipients
 - Indorama Polyester Industries Pcl. (Rayong)
 - Indorama Holdings Limited
 - Indorama Polyester Industries Pcl. (Nakhon Pathom)
 - Indorama Petrochem Limited
 From The Ministry of Labour



Great Products For Society

Our focus is on innovative ideas, expertise and solutions for customers' requirements. We have developed our products as materials for bottles in different grades.

STRATEGY AND OVERVIEW OF BUSINESS OPERATIONS

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 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 diverse end-use markets including food, beverages, personal and home care, health care, automotive, textile and industrial uses. With around 15,000 employees, and 67 sites in 21 countries across four 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 surge in population growth will present global challenges, but we see this as an opportunity for increased demand across all our markets. With the fast-paced evolution of technologies, innovation will also play a key role in the chemical industry creating a market that is sufficiently sustainable in balancing the environment, resources, climate, food and nutrition, and quality of life. As the fastest growing polymer in the world at a rate of roughly 6% annually, polyester is the future.



Scan the QR Code or click to watch this video on IVL Youtube channel. [click here](#)

Strategic Levers

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

- Focused growth and investment
- Vertical integration business model
- Geographic diversification
- Product diversification driven by innovation and R&D
- Sustainability
- Cost efficiency and operational excellence
- 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 in which we operate, as well as expand our geographic presence through organic growth and value-enhancing acquisitions.

We have an established a track record of implementing this strategy through green field investments, brownfield expansions as well as through attractive acquisitions. Acquisitions are a main contributing factor for achieving our strategic targets. Indorama Ventures has strict strategic and financial acquisition criteria that are used to evaluate potential acquisition targets. We have a strong track record of acquiring businesses and successfully integrating them 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 cyclicality and improve the quality, visibility, and predictability of earnings. Continuing with our strategy we have invested in ethylene production through our 440 kt pa Louisiana-based gas cracker which is under refurbishment following our acquisition in 2015. We expect a commercial restart by the end of 2017.

Geographic 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 and geographically diversify our customer base based on 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 driven by innovation and R&D

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 requirements. Through this effort

to differentiate, 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 the automotive, personal care, packing and specialties and industrial sectors. 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 its leading market positions in these HVA industries for further growth.

Sustainability

We believe that the 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 through a 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 practices and knowledge transfer across IVL's global footprint. Key focus areas include benchmarking conversion costs, optimizing the workforce, waste reduction and recovery, and environmental 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 contributions within the overall organization. We strive to maintain an efficient capital structure as we grow to provide us with adequate flexibility in our operations and sufficient liquidity in our cash flow position to meet our covenants at all times.



Changes and Important Developments

Company Overview

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, fiber and yarns, and feedstock comprising PTA, IPA, PX, NDC, MEG and various Ethylene Oxide (EO) derivatives.

Company Background

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, the packaging of pharmaceutical and household products as well as in industrial

packaging applications. In addition, 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, IPA, PX, NDC, MEG and various EO derivatives.

Our growth in the PET business has been achieved through greenfield investments, strategic acquisitions, and brownfield expansions. From 1995 onwards, 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.

Entry into the Fibers Business

The Group's fibers business segment comprises the manufacture and sale of a variety of polyester and other types of fiber 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. Further expansions subsequently took place at this site. In 2014, a state of art greenfield polyester plant was commercially started in Indonesia.

Backward Integration into Feedstock

The Group's feedstock business segment comprises the manufacture, production and sale of PTA, IPA, PX, NDC, 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 a Global Leader

Expansion of PET Business in the US, Europe and Asia

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 the US, which has resulted in the company becoming 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 in Cilegon, Indonesia. In 2015, IVL expanded its business into the Middle East following the acquisition of two PET plants in Turkey, one in the southern region and one in northern region of the country. 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. In December 2015, we acquired the PET business of MICRO POLYPET Private Limited (MicroPet) and its two subsidiaries Sanchit Polymers Private Limited and Eternity Infrabuild Private Limited in India. Subsequently in September 2016, MicroPet was merged with Dhunseri Petglobal Limited and deconsolidated to be an equal Joint

Venture partnership. After consolidating its position through a joint venture with Dhunseri Petrochemicals in India, which is one of the world's fastest growing markets, the Company has become the second-largest manufacturer of PET in India.

Expansion of Polyester Business Globally

In the first half of 2011, we expanded our polyester production footprint internationally into Indonesia and the US. In November 2011, we acquired the PET and Polyester fibers recycling businesses of Wellman International in Europe, which is comprised 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 the US in Duluth, Georgia.

Backward Integration into MEG

In 2012, we took another step upward to feedstock integration with the acquisition of Old World Industries I, Ltd. and Old World Transportation, Ltd., which is the largest single EO/EG production facility in the US. 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")'s PTA business in Canada and we also acquired 100% of Indorama Ventures Olefins Holding LLC, an old ethylene cracker in the US in September 2015 (under refurbishment). In March 2016, IVL bought BP's assets in Decatur Alabama USA and in April 2016, IVL purchased CEPSA PET, PTA and IPA assets in Spain.

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 2016, our HVA portfolio represented 19% 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 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 the Wellman International purchase and commenced production of our recycled PET and fiber facility in Nakhon Pathom, Thailand. We expect to further leverage on Wellman's bottle to flake technology on a global scale. We have also integrated three production sites in the US 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. In January, 2010, IVL completed an initial public offering of 400,000,000 ordinary shares at an offering price of THB 10.20 per ordinary share. The total amount raised in cash from the initial public offering of shares totaled THB 4,080 million. Simultaneously, the minority shareholders of Indorama Polymers Public Company Limited, a 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 (SET) on February 5, 2010. The ticker symbol is IVL. Indorama Ventures,

during the course of 2010 became a member of the major indices, the 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 THB 4,334,271,047 to THB 4,815,856,719 and reserve the increase in authorized share capital of THB 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 THB 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 totaled THB 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.



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 capacity in Thailand.	Thailand	PET/Polyester
2003	Incorporation of Beacon Global Limited (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.	US	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 capacity.	US/Thailand	PET/Polyester
March 2008	<ul style="list-style-type: none"> 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. 	The Netherlands/UK	PET
	<ul style="list-style-type: none"> 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 a subsidiary of Eastman Chemical Company. 	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"> The Company acquired a 65.81% equity interest in Tuntex (Thailand) pursuant to Tuntex (Thailand)'s bankruptcy rehabilitation plan. 	Thailand	Polyester
	<ul style="list-style-type: none"> 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 its direct and indirect shareholdings of Indo Poly (Thailand) Ltd. to 98.85%. 	Thailand	Polyester
September - October 2008	The Company acquired a 100% equity interest in Indorama Petrochem Ltd. from various parties.	Thailand	PTA

Year	Event	Location	Business
October 2008	The Company acquired an additional 3.94% of the outstanding shares of Indorama Polymers PCL from DEG, thereby increasing 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"> Indo Poly (Thailand) Ltd. transferred all of its assets and businesses to Indorama Polyester Industries PCL. (In August 2009, Indo Poly [Thailand] Ltd. commenced action to liquidate itself, a process which was completed in August 2011.) 	Thailand	Polyester
	<ul style="list-style-type: none"> The Company acquired an additional 2.08% of the outstanding shares of TPT Petrochemicals PCL from International Finance PCL, thereby increasing direct and indirect holdings of TPT Petrochemicals PCL to 52.64%. 	Thailand	PTA
August 2009	The Company and Indorama Holdings Ltd. jointly made a tender offer 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.	US	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"> The Company acquired an additional 1.96% of the outstanding shares of TPT Petrochemicals PCL from International Finance PCL, thereby increasing direct and indirect holdings of TPT Petrochemicals PCL to 54.60%. 	Thailand	PTA
	<ul style="list-style-type: none"> 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." A total of 424,480,300 shares of IRP were purchased through an exchange offer whereby IRP shareholders received IVL shares. 	Thailand	PET
February 2010	IVL shares were listed and began trading on the Stock Exchange of Thailand after completion of an initial public offering of 400 million new shares at THB 10.20 and completion of exchange offer to minority shareholders of Indorama Polymers Public Company Limited IRP. Simultaneously delisted IRP shares from the SET on the first day of trading of IVL.	Thailand	Corporate
July 2010	Acquisition of a 50% equity stake in a joint venture company, UAB Ottana Polimeri Europe, for the purpose of acquiring an integrated PTA and PET plant in Ottana, Italy from Equipolymers. The joint venture partner, PCH Holdings, is in the power and utilities business and holds the remaining 50% stake.	Italy	PTA and PET

Year	Event	Location	Business
August 2010	<ul style="list-style-type: none"> Announced the establishment of a greenfield project for PET polymers in Port Harcourt, Nigeria with an installed capacity of 75,000 tpa. Announced capacity expansion by 190,000 tpa for PET through a new production line at an existing site in Rotterdam, the Netherlands. Europe is a net importer of PET resins and the expansion has helped to reduce imports and growth in demand. In addition, the PET expansion will result in full captive consumption of PTA produced onsite and cost benefits from economies of scale. 	Nigeria	PET
		Netherland	PET
October 2010	Acquisition of additional shares in TPT Petrochemicals PCL from Tuntex Taiwan and other shareholders to increase the Company's equity stake from 54.60% to 99.96%.	Thailand	PTA
November 2010	<ul style="list-style-type: none"> Announced the approval of an acquisition to make PET resins and Polyester polymers for fibers and 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 the Company to expand its global footprint and to enter the high-growth market in China. The acquisition was completed in January, 2011. 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, US and Queretaro, Mexico. The total installed capacity at the Spartanburg site is 470,000 tpa and 535,000 tpa at the Queretaro site. The acquisition will allow the Company to build on its expanding global platform making IVL the world's largest PET producer and provide access to new markets in Central and South America. The acquisitions were completed in March 2011. 	China	PET
		US/Mexico	PET/Polyester
	<ul style="list-style-type: none"> Board of Directors Meeting No. 8/2010 on 10 November, 2010 approved the issuance of 481,585,672 free Transferable Subscription Rights (TSRs) to the company's existing shareholders and with an allocation ratio of 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 the TSR into ordinary shares was determined prior to the extraordinary general meeting of shareholders to approve the rights issue. 	Thailand	Corporate
December 2010	<ul style="list-style-type: none"> 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 140,000 tpa in Poland. The acquisition will allow on the Company to expand its global platform and reinforce our focus on the polyester value chain. It provides important access to the growth markets of Indonesia and Poland. The acquisitions were completed in March 2011. Board of Directors Meeting No. 9/2010 on 16 December, 2010 approved an exercise price of THB 36 per share to subscribe to newly issued shares by each TSR holder. 	Indonesia/Poland	Polyester/PET
		Thailand	Corporate
	<ul style="list-style-type: none"> Extraordinary General Meeting of Shareholders No. 1/2011 approved the resolution of a rights issue and allocated an issue of TSRs at a ratio of 9 existing shares to 1 TSR to existing shareholders. 	Thailand	Corporate

Year	Event	Location	Business
March 2011	<ul style="list-style-type: none"> • A total of 479,986,198 new IVL shares were listed and began trading on the Stock Exchange of Thailand after completion of the TSR subscription at an exercise price of THB 36 per share. • Announced capacity expansion by 300,000 tpa for PET at an existing site in Purwakarta, Indonesia. 	Thailand Indonesia	Corporate PET
April 2011	Announced a brownfield expansion of PET polymers production with a capacity 220,000 tons per annum at the existing site in Poland.	Europe	PET
May 2011	Announced a brownfield expansion of PTA production at the Rotterdam plant, with a new production line with an annual capacity of PTA of 250,000 tons per annum. This expansion will enhance the Company's business 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 tons per annum.	Indonesia	PTA
July 2011	Acquisition of a 75% equity stake in a joint venture company, Trevira Holdings GmbH, for the purpose of acquiring a polyester fiber plant in Germany and Poland with a capacity of 120,000 tons per annum. The acquisition of Trevira GmbH facilitated IVL's entry into the branded specialist filament business and provides access to an outstanding research and development facility with the 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
November 2011	The Board approved the acquisition of a 100% equity stake in the recycling business of Wellman International in Europe from WIT Beteiligungs GmbH and Wellman International Trading which is subsidiary of Aurelius AG. This business consists of three plants, a Polyester plant in Mullagh, Ireland with an installed capacity over 80,000 tons, a recycling plant in Spijk, Netherland with an installed capacity over 45,000 tons, and Verdun, France with an installed capacity of 28,000 tons	Ireland/France and Netherlands	Polyester
January 2012	The Board approved the acquisition of 100% of FiberVisions Holdings LLC, a global manufacturer of specialty mono and bi-component fibers based in Duluth, Georgia, US. Its total global capacity was 221,000 tons per annum of specialties, with 117,000 tons per annum capacity in the United States, 90,000 tons per annum capacity in Europe and 14,000 tons per annum capacity in China.	US	Polyester
February 2012	<ul style="list-style-type: none"> • The Board of Directors approved the acquisition of a 100% partnership interest in Old World Industries I Ltd., and Old World Transportation Ltd., (collectively called Old World), located in Clear Lake, Texas, US. Old World is the largest single EO/EG production facility in the US with Crude EO capacity of 435,000 tons per annum (which is the equivalent to 550,000 tons per annum of equivalent MEG capacity). 	US	EO/EG

Year	Event	Location	Business
February 2012	<ul style="list-style-type: none"> Acquisition of a 51% stake in a packaging business. Beacon Trading (UK) Limited acquired a 51% stake in Beverage Plastics (Holdings) Limited ("BPL") in Northern Ireland, United Kingdom. 	UK	Packaging
March 2012	Acquisition of 100% of the PET resin assets of PT Polypet Karyapersada. The PET facility is located in Cilegon, Indonesia with a production capacity of 100,800 tons per annum.	Indonesia	PET
April 2012	Acquisition of a 100% partnership interest in Old World Industries I, Ltd. and Old World Transportation, Ltd. in the US. Old World is in the business of production and sales of ethylene oxide EO and derivative products from ethylene oxide: purified ethylene oxide PEO, mono ethylene glycol MEG, diethylene glycol DEG, and triethylene glycol TEG.	US	EO/EG
July 2012	Start-up of a Solid State Polymerization (SSP) Plant in Nigeria at a capacity of 84,000 tons per annum. This is IVL's first PET investment in Africa and establishes its foothold in the estimated 450,000 tons PET market for the African continent which currently has only one other PET producer.	Nigeria	PET
August 2012	Completion of the acquisition of the PET resin assets through its wholly owned subsidiary, PT Indorama Polypet Indonesia, with a capacity of 100,800 tons per annum in Cilegon, Indonesia	Indonesia	PET
November 2012	<ul style="list-style-type: none"> An announcement of the green field expansion of PET production in North America through the establishment of a new plant with a capacity of 540,000 tons per year. 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. 	US	PET
		Poland	PET
February 2013	<ul style="list-style-type: none"> Acquisition of a 100% stake in a packaging company, which produces PET Preforms, in Nigeria. This acquisition will be a forward integration for the PET segment which set up a PET bottle resin manufacturing unit in Nigeria. All of the closing formalities were completed and the plant was taken charge of effective April 3, 2013. 	Nigeria	Packaging
May 2013	<ul style="list-style-type: none"> 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 ton per annum Bicomponent Fiber Plant at IPI in Rayong, Thailand. The plant started operations in Q2 2015. The Board also approved expanding the current Bicomponent Fiber capacity by 10,800 tons at the Covington, Georgia (US) unit of wholly-owned FiberVisions Manufacturing Company 	Thailand	Polyester
		US	Polyester
October 2013	<ul style="list-style-type: none"> Establishment of Indorama Ventures Packaging (Philippines) corporation to start a new packaging business in the Philippines. The establishment of new subsidiaries: Indorama Ventures USA Holdings LP Indorama Ventures AlphaPet Holdings, Inc. Indorama Ventures Europe B.V. The three holding companies have been formed as part of a restructuring exercise. 	Philippines	Packaging
		US	Holding
		US	Company
		Netherlands	

Year	Event	Location	Business
November 2013	An announcement for the 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"> ● Indorama Ventures Global Services Limited. ● Signing of a Joint Venture Agreement for Aromatics production in Abu Dhabi to develop the Tacaamol Aromatics Plant on Madeenat ChemaWEyaat Al Gharbia's (MCAG) site in the Western Region of Abu Dhabi. The plant is expected to have an annual capacity of about 1.4 million tons of Paraxylene and 0.5 million tons of Benzene. 	Thailand Abu Dhabi	Corporate PX
February 2014	<ul style="list-style-type: none"> ● 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. The acquisition was completed on 30 April, 2014. ● The establishment of a new indirect subsidiary company in the Republic of Ghana. 	Germany US China Republic of Ghana	Air bags & Tire cord yarns Packaging
March 2014	The establishment of a new joint venture company in Thailand, 50% owned by Indorama Holdings Ltd., a subsidiary company of IVL, and 50% owned by JNC Fibers Corporation of 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 tons per annum. The acquisition was completed on 2 June, 2014.	Turkey	PET
October 2014	Reorganization of the Company's subsidiaries in the Netherlands and the US to improve operational and fiscal efficiencies, business workflows and to pool common resources, and some of the businesses of its subsidiaries.	Netherlands & US	Corporate
November 2014	The establishment of two new joint venture companies: <ul style="list-style-type: none"> ● Indorama Ventures EcoMex, S. de R. L de C.V. ● Indorama Ventures EcoMex Services, S. de R. L de C.V. 	Mexico	PET
December 2014	Announced the signing of a share purchase agreement to acquire a 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's plants are located in Kaiping City, Guangdong province of China, with an annual capacity of 41,000 tons of Polyester Tire Cord Fabric and 48,000 tons of Polyester Tire Cord Yarn. All of the closing formalities were completed and the plants were taken charge of 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

Year	Event	Location	Business
March 2015	<ul style="list-style-type: none"> Completed the acquisition of a 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 in Corlu, close to Istanbul, Turkey. 	Turkey	PET
	<ul style="list-style-type: none"> Acquisition of a 100% stake in the PTA business of CEPESA Chimie Montréal s.e.c in Montreal, Canada. CPESA is the largest and the only PTA manufacturing facility in Canada with an annual capacity of 600,000 tons and is one of the three merchant PTA producers in North America. 	Canada	PTA
May 2015	Completion of the acquisition of a 94.91% stake in a PET business in Thailand, Bangkok Polyester PCL (BPC). BPC is a producer of PET polymers in Rayong, Thailand, with an annual capacity of 105,000 tons. Further shares were also acquired from the minority shareholders, thereby taking the Company's total shareholding in BPC to 98.97%.	Thailand	PET
June 2015	The Acquisition of CEPESA Chimie Montréal s.e.c in Montreal, Canada was completed, including all of the closing formalities, and the plant was taken charge of effective June 1, 2015. IVL will rename the above companies as Indorama Ventures Gestion, Inc., Indorama Ventures Northern Investments and Indorama Ventures PTA Montreal, respectively.	Canada	PTA
September 2015	<p>The establishment of three new subsidiaries:</p> <ul style="list-style-type: none"> Indorama Ventures Dutch Investments B.V. Indorama Ventures Investments USA LLC Indorama Ventures Olefins LLC 	<p>The Netherlands US US</p>	<p>Holding Company Ethylene Cracker</p>
November 2015	<ul style="list-style-type: none"> Acquisition of 100% of CEPESA's business in Spain. CEPESA Spain is Europe's largest producer of IPA (Isophthalic acid) and is the second largest producer in the world. With 220,000 tons of IPA capacity, 175,000 tons of PET, and 325,000 tons of PTA. The establishment of a New Indirect Subsidiary Company in the US 	Spain	PET, PTA and IPA
	Indorama Ventures Olefins Holding LLC	US	Holding Company
December 2015	Completed the acquisition of a 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 23 December, 2015. MicroPet has an annual PET capacity of 216,000 tons 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
January 2016	Acquisition of a 100% stake in BP Amoco Chemical Company (BP)'s chemical complex in Decatur, Alabama, US. BP's integrated facility is located adjacent to IVL's PET manufacturing subsidiary, AlphaPet, Inc. and has a combined capacity of approximately 1.8 million tons of which PX capacity is 720,000 tons, PTA capacity of 1,020,000 tons, and NDC (Naphthalene Dicarboxylate). (The acquisition was completed and effective as of March 31, 2016.)	US	PTA, PX and NDC

Year	Event	Location	Business
February 2016	Formation of an equal Joint Venture in India with Dhunseri Petrochem Limited. IVL will divest its 50% equity stake in its indirect, fully-owned PET manufacturing company - Micro Polypet Private Limited, India to Dhunseri Petrochem Limited. IVL will also acquire a 50% equity stake in a new carved-out entity from Dhunseri Petrochem Limited. The new entity will own the 480,000 ton PET manufacturing facility of Dhunseri Petrochem Limited located in the port city of Haldia in the Eastern Indian state of West Bengal.	India	PET
March 2016	The establishment of a New Indirect Subsidiary in India Indorama Ventures Packaging (India) Private Limited	India	Packaging
April 2016	Completed the acquisition of a 100% of Compañía Española de Petróleos S.A.U. ("CEPSA Spain")'s Isophthalic Acid (PIA), Polyethylene Terephthalate (PET) and Purified Terephthalic Acid (PTA) business in Guadarranque-San Roque, Cadiz, Spain. The operation was effective as of April 7, 2016. The company will be renamed Indorama Ventures Química S.L.U.	Spain	PET, PTA and IPA
July 2016	The establishment of a Subsidiary Company and a Joint Venture Company in China. The new indirect subsidiary: Performance Fibers (Kaiping) No. 3 Company Limited The new Joint Venture Company: ES FiberVisions Shanghai Co., Ltd.	China	Polyester
August 2016	<ul style="list-style-type: none"> • Name change of a Subsidiary Company in the US. Polyamide High Performance, Inc., an 80% indirect subsidiary of IVL in the US changed its name to "PHP Fibers Inc." • The merger of two of its indirect subsidiaries in Germany. PHP Overseas Investments GmbH, a non-operating entity merged into PHP Fibers GmbH, an operating Fibers business entity. The new merged entity will be known as "PHP Fibers GmbH." 	US	Air bags & Tire cord yarns
		Germany	Air bags & Tire cord yarns
September 2016	<ul style="list-style-type: none"> • Completed the formation of an equal Joint Venture in India with Dhunseri, effective September 12, 2016. The Joint Venture Company in India was also renamed. Dhunseri Petglobal Limited was changed to "IVL Dhunseri Petrochem Industries Limited." • The establishment of a new indirect subsidiary company in China: Performance Fibers (Kaiping) Trading Company Limited. 	India	PET
		China	Polyester
December 2016	The establishment of a new indirect Subsidiary Company in Mexico, Indorama Ventures Mexico Assets, S. de R.L. de C.V., which is 99.99% held by Grupo Indorama Ventures, S. de R.L. de C.V., a wholly-owned indirect subsidiary company of IVL.	Mexico	Service Company

In August, 2014, the Board of Directors of IVL passed a resolution to increase the Company's 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, and the increase in registered share capital and allocation of share capital for the exercise of the warrants. The key terms of the 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, 3 years from the issue date	24 August 2018, 4 years from the issue date
Warrant Issue Price	THB 0 (at no cost)	THB 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 rd anniversary from the issue date.	Last business day of each month for every 3 months starting from 31 October 2017. The last exercise date is the 4 th anniversary from the issue date.

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

In October 2014, the Company successfully completed the offering of Subordinated Perpetual Debentures No. 1/2557 for THB 15 Billion. The Perpetual Debentures carry a fixed rate coupon of 7.0% per annum for the first five years, after which the coupon will be adjusted ever five years as per the stated terms and conditions. The issuance has strengthened IVL's capital structure, and improved the liquidity and flexibility of the Company. The Company's rating was reaffirmed at 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 successfully issued its first overseas Senior Unsecured Bond in the amount of SGD 195 million to institutional investors in Singapore through its wholly-owned subsidiary, IVL Singapore PTE Ltd. The Bond was rated AA (Stable) by Standard and Poor's with a tenure of 10-years at an interest rate of 3.73 percent per annum. It is guaranteed by the 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 business through investment in companies engaging in the manufacture of both domestic and international integrated petrochemical products. Our headquarters is 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 the following business segments:

PET

Name	Country	Type of business	% of Shareholding
Indorama Polymers PCL	Thailand	Manufacture of SSP chips and PET	99.59
Asia Pet (Thailand) Ltd.	Thailand	Manufacture of amorphous chips	99.58
StarPet Inc.	United States	Manufacture of PET (bottle-grade resin chips)	100.00
UAB Orion Global Pet	Lithuania	Manufacture of PET (bottle-grade resin chips)	99.59
Indorama Polymers Workington Ltd.	United Kingdom	Manufacture of PET (bottle-grade resin chips)	99.59
Indorama Polymers Rotterdam B.V.	The Netherlands	Manufacture of PET (bottle-grade resin chips)	99.59
AlphaPet Inc.	United States	Manufacture of PET (bottle-grade resin chips)	100.00
Indorama PET (Nigeria) Ltd.	Nigeria	Manufacture of PET (bottle-grade resin chips)	89.63
Guangdong IVL PET Polymer Company Limited	China	Manufacture of PET (bottle-grade resin chips)	99.59
Auriga Polymers Inc.	United States	Manufacture of PET (bottle-grade resin chips) and Polyester Fibers	100.00
Petform (Thailand) Ltd.	Thailand	Manufacture of PET preforms, closures and blown bottles	59.74
Indorama Ventures Poland Sp.z.o.o.	Poland	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 performs, bottles and closures	51.00
Aurus Packaging Limited (Renamed to Indorama Ventures Packaging (Nigeria) Limited)	Nigeria	Manufacture of PET performs, bottles and closures	100.00
Indorama Ventures Packaging (Philippines)	The Philippines	Manufacture of PET performs, bottles and closures	99.99
Indorama Ventures Packaging (Ghana) Limited	Republic of Ghana	Manufacture of PET performs, bottles and closures	100.00
Indorama Ventures Adana PET Sanayi Anonim Şirketi	Turkey	Manufacture of bottle-grade resin chips	100.00
Indorama Ventures Packaging (Myanmar) Limited	Myanmar	Manufacture of PET preforms	99.59
Indorama Ventures Corlu PET Sanayi A.Ş.	Turkey	Manufacture of PET	100.00
Bangkok Polyester Public Company Limited (BPC)	Thailand	Manufacture of PET	99.98
Indorama Ventures Packaging (India) Private Limited	India	Manufacture of packaging	99.98
Indorama Ventures Química S.L.U. (CEPSA Spain)	Spain	Manufacture of integrated PET, PTA and IPA	100.00

Fibers

Name	Country	Type of business	% of Shareholding
Indorama Polyester Industries PCL	Thailand	Manufacture of polyester fibers and yarns	99.49
PT Indorama Ventures Indonesia	Indonesia	Manufacture of polyester filament, yarns and PET	100.00
PT Indorama Polyester Industries Indonesia	Indonesia	Manufacture of polyester fibers and yarns	99.98
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	United States	Manufacture of polypropylene fibers and yarns	100.00
FiberVisions Products, Inc.	United States	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 and tire cords	80.00
Performance Fibers Asia	China	Manufacture of polyester tire cord fabric	99.00
KP Equity Partners Inc	Malaysia	Manufacture of polyester fibers and yarns	100.00
Performance Fibers (Kaiping) No.3 Company Limited	China	Manufacture of industrial fibers and fabrics	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	99.81
Indorama Ventures (Oxide & Glycols) LLC	United States	Manufacture of EO and EG	100.00
CEPSA Chimie Montréal s.e.c	Canada	Manufacture of PTA	100.00
Indorama Ventures Olefins LLC	United States	Manufacture of Ethylene Cracker	75.99
Indorama Ventures Xylenes & PTA LLC (BP)	United States	Manufacture of integrated PTA, PX and NDC	100.00
Indorama Ventures Química S.L.U. (CEPSA Spain)	Spain	Manufacture of integrated PET, PTA and IPA	100.00



Innovative Solutions

We have encouraged our subsidiaries to invent products that elevate the quality of life for people around the world. Flame retardant fibers, known for their safety are our pride.

NATURE OF THE BUSINESS

Revenue Structure

The details of our sales revenue structure, according to our consolidated financial statements for the year ended December 31, 2014 to 2016, are as follows:

Details	Year Ended December 31					
	2014		2015		2016	
	(Bt million)	%	(Bt million)	%	(Bt million)	%
Revenue breakdown by Business Segments						
• PET	145,121	59	131,834	56	134,990	53
• Fibers	70,274	29	73,219	31	73,291	29
• Feedstock	64,477	26	59,960	26	93,771	37
• Elimination	(35,965)	(14)	(30,315)	(13)	(47,432)	(19)
Consolidated revenue from sale of goods	243,907	100	234,698	100	254,620	100

Source: The Company's consolidated financial statements

The Company's operations in major regional markets allows for diversified sales, which are serviced from manufacturing units within the region and through exports. Our sales by geographic segment for the year ended December 31, 2014 to 2016 are as follows:

Details	Year Ended December 31					
	2014		2015		2016	
	(Bt million)	%	(Bt million)	%	(Bt million)	%
Revenue breakdown by Geographic Segments*						
Thailand	15,053	6	14,783	6	14,789	6
North America	84,361	35	83,023	36	94,552	37
Europe	70,657	29	70,624	30	77,443	30
Rest of the World	73,836	30	66,268	28	67,836	27
Consolidated revenue form sale of goods	243,907	100	234,698	100	254,620	100

*Geographic revenue breakdown based on customers' location
Source: The Company's consolidated financial statements

Business Overview

Indorama Ventures (SET: IVL) is a major global intermediate and downstream petro-chemicals producer with 67 sites in 21 countries across four continents (as of December 31, 2016) 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 products chain.

High value-added products are premium products and normally have higher margins over pure staple commodity (which we also call 'necessities') products.

IVL has integrated businesses and is 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, which will enable faster earnings growth and enhanced sustainability of the business. Investment in research and development will provide customers with new products and services that will improve our offerings and complete IVL's loop as a one-stop center for global requirements. From 2011-2016, we acquired businesses manufacturing high value-added products (HVA). Our principal acquisitions in HVA products are:

Trevira: A manufacturer of polyester fibers and yarns for applications in apparel, home furnishings, automotive and industrial applications. The 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 United States.

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, which is the largest and fastest-growing market for polyester tire cord fabric.

IPA: A product that came with the acquisition of CEPASA in Spain in April 2016, and which expanded IVL's HVA profile making the Company the second-largest IPA producer globally.

NDC: A product that came with the acquisition of BP Decatur in the United States in March 2016, and which expanded IVL's HVA profile making the Company the largest NDC producer globally.

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 to 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 polymerization. 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 constant demand growth from downstream customers, as they are mostly FMCG companies, which grows volume.

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

This mechanism implies that crude oil and its derivative raw materials used to produce PET and Polyester fibers have a low-impact on the business except in the event 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.

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 44% of production volumes in 2016. 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, 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, and through facilities in Ireland, Nigeria, the Philippines, Ghana and Myanmar. As of December 31, 2016, we are the largest PET resin producer in the world with an

aggregate installed production capacity of 5 million tons per annum (including 100% capacity in our India joint ventures where IVL owns a 50% equity interest).

PET Products

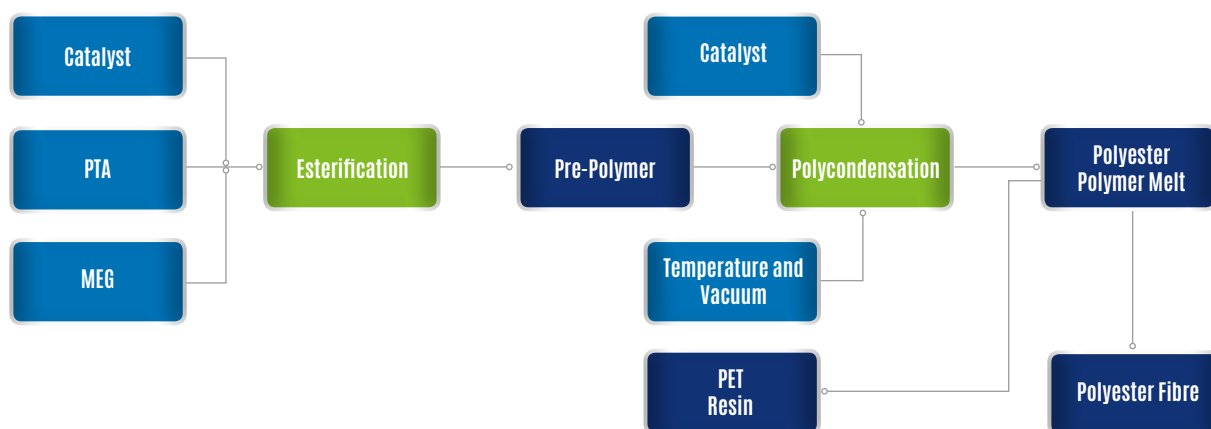
We produce a variety of PET resins, including hot-fill, high and low intrinsic viscosity, quick heat and general grade, to serve a variety of markets including carbonated soft drinks, food, bottled water, juices, other beverages, and other applications.



Scan the QR Code or click to watch this video on IVL Youtube channel. [click here](#)

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 being heated in a reactor under a 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 use both of these technologies.

PET Production Facilities

The following table describes our PET production facilities as of December 31, 2016.

Production Facility	Location	Installed Capacity ⁽¹⁾ ('000 tons per annum)
AlphaPet PET Facility	Decatur, Alabama, US	445
StarPet PET Facility	Asheboro, North Carolina, US	266
Orion Global PET Facility	Klaipeda, Lithuania	266
IRP Rotterdam PET Facility	Rotterdam, the Netherlands	425
IRP/AsiaPet PET Facilities ⁽²⁾	Lopburi, Thailand	181
Indorama Polyester Industries PET Resin Line	Map Ta Phut, Thailand	110
GIVL PET Facility	Kaiping, China	545
Arteva PET Facility	Queretaro, Mexico	568
Auriga Facility - PET Resin Line	Spartanburg, South Carolina, US	286
IVL Wloclawek PET Facility	Wloclawek, Poland	230
IVL Tangerang Facility - PET Resin Line	Tangerang, Indonesia	88
Port Harcourt SSP Facility	Nigeria	73
PT Indorama Polypet Facility - PET Resin Line	Cilegon, Indonesia	102
Polyplex, PET Facility	Istanbul, Turkey	256
Indorama Ventures Polymers (Rayong)	Rayong, Thailand	120
Micropet ⁽³⁾	India	216
Dhunseri ⁽³⁾	India	480
CEPSA Spain	Spain	197
Packaging Facility	Various sites	139
Total		4,994

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

(2) This comprises the Indorama Polymers PCL PET facility and the AsiaPet Amorphous PET facility, each with a capacity of 181 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.

(3) A 50/50 Joint Venture partnership with Dhunseri Petrochem Limited in India.



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PET Sales and Marketing

We have PET sales and marketing teams in each of the regions in which we operate, which are overseen strategically by our sales and marketing head office in Thailand. 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 bottles 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.

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 four continents, i.e. Asia, North America, Europe and Africa, which allows us to market our PET resin products globally to customers for their worldwide PET requirements. Our marketing activities include regular meetings with our customers to understand their requirements, maintain good relationships as well as provide excellent customer service.

PET Competition

We are the largest PET producer globally: No. 1 in Europe, No. 2 in North America and with a significant position 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 Business

Polyester Fibers and Yarns Business Overview

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 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 the weather demands. Polyester fibers have good moisture transport and dry quickly.

Polyester Fibers and Yarns Products

Polyester fibers are most commonly used for apparel, from sportswear to high fashion; home textiles, such as bedding and carpets; non-woven materials including surgical gowns; technical textiles such as filters and automotive uses including 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 supplied to various world-class tire companies. With the growth in demand, IVL is in the process of expanding product capacity by around 40% in China.

Polyolefin Fibers Business Overview

The fiber forming substance is any long-chain synthetic polymer composed of a weight of at least 85% of ethylene, propylene, or other olefin unit in these manufactured fibers. Italy began production of olefin fibers in 1957. Production of olefin fibers in the United States began in 1960. The first commercial producer of olefin fibers in the United States was Hercules, Inc., now known as FiberVisions, and wholly-owned by IVL.

Polymer granules are usually fed into an extruder that melts the polymer that is then pumped through a spinneret. 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 furnishings, apparel and industrial products. Olefin fibers provide warmth without much weight. Olefin is resistant to abrasions, stains, sunlight, fire and chemicals. It does not dye well, but has the advantage of being colorfast since pigments are added in 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.

Polyolefin Fibers Products

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



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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 independently 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 for use in cases such as tea and coffee-bags.

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

Bicomponent Fibers Business Overview

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.

Worsted Wool Yarns Business Overview

The name Worsted is derived 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 its 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 the fibers are separated and prepared for spinning to remove any short and brittle fibers from the wool, leaving only the longer strands of 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 wears very well and drapes easily, making it an ideal fabric for all sorts of garments.

Worsted Wool Yarns Products

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

Fibers Production Facilities

The following table describes our fibers and yarns production facilities as of December 31, 2016.

Production Facility	Location	Installed Capacity ⁽¹⁾ (‘000 tons per annum)
Indorama Polyester Industries Nakhon Pathom Facility	Nakhon Pathom, Thailand	149
Indorama Polyester Industries Map Ta Phut Facility	Map Ta Phut, Thailand	206
Indorama Holdings Facility - Wool line	Lopburi, Thailand	6
Auriga Facility - Polyester line	Spartanburg, South Carolina, US	70
IVL Karawang Polyester Facility	Karawang, Indonesia	38
IVL Tangerang Facility - Polyester line	Tangerang, Indonesia	75
Trevira - Polyester line ⁽²⁾	Bobingen and Guben, Germany	123
Arteva Polyester Facility	Queretaro, Mexico	64
Wellman International - Recycled Polyester	Mullagh, Ireland, Spijk, Netherlands and Verdun, France	175
FiberVisions - Polyolefin line	Duluth, Athens and Covington, US, Varde, Denmark and Suzhou, China	222
Indorama Polyester Industries Map Ta Phut Facility - BICO	Map Ta Phut, Thailand	15
Polychem Facility (CP4) - Polyester line	Purwakarta, Indonesia	322
PHP Fibers - Nylon 6.6 tire cord and yarns	Germany, US and JV in China	90
Performance Fibers	Guangdong, China	56
Total		1,611

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

(2) Facility acquired through a 75% JV on July 1, 2011. From October 1, 2013, Trevira was fully consolidated due to a revision in terms with the JV partner.

Nylon 6.6 Tire Cord Yarns Business Overview

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 the United States, Europe and China.

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

Nylon 6.6 Tire Cord Yarns Products

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

Fibers 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 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 less than 10,000 tons per annum. Larger fiber 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 polyester production and has many companies involved in this business. There are a few companies in Korea, China, Turkey

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

Feedstock Business

Feedstock for Indorama Ventures encompasses PTA, PX, IPA, NDC, MEG, EO derivatives and by-products, which are raw materials for producing our major products. With the commercial startup of the gas cracker in the United States, Ethylene and Propylene will also be added in the feedstocks.

In full, PTA is Purified Terephthalic Acid and 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 Overview

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

IVL entered the PTA business in 2008 with a strategy of developing raw material integration to ensure an uninterrupted supply of raw materials and ensure better integration 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, Spain, the United States and the Netherlands with a capacity of 4.2 million tons per annum (including 100% capacity in our Indonesia joint ventures where IVL owns a 47% equity interest).

PTA Products

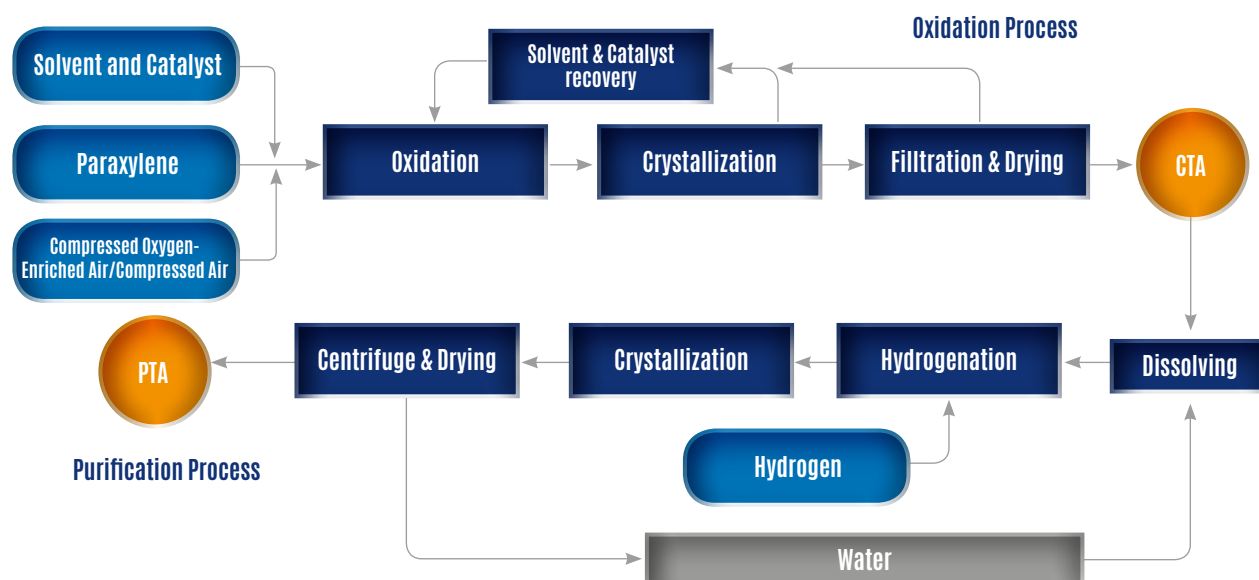
PTA is a major feedstock of PET and polyester fibers and yarns, however, a few small niche uses occur, such as in the analgesic drug oxycodone, which occasionally comes as a terephthalate salt.

PTA Production Process

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.

The chart below summarizes the PTA production process.



PTA Sales and Marketing

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 2014, 2015, and 2016, 63.7%, 53.8% and 55.9% respectively, of our PTA were sold to the group and 36.3%, 46.2% and 44.1% 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.

PTA Competition

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.

IPA Business Overview

IPA is a new business for IVL with the recent acquisition of CEPISA in Spain in April 2016, and consists of 220,000 tons per annum of capacity. IPA is produced with metaxylene as its feedstock, which is supplied by CEPISA in Spain and imported from other suppliers. IVL consumes IPA captively and also supplies

to other customers. IPA can be used in PET resin manufacturing and can also be used in paints and coatings. IVL is in the process of increasing its production with expected supplies of more metaxylenes from its suppliers in 2018.

NDC Business Overview

In April 2016, we acquired an Aromatics complex located in Decatur, in the United States, from BP Amoco Chemical Company. The Decatur facility manufactures PTA and its raw material, paraxylene (PX). The facility provides raw materials to IVL's Alpha PET co-located business operation and to external customers worldwide. It is also the world's only commercial manufacturer of naphthalene dicarboxylate (NDC), which is a chemical used in new-generation polyesters and resins to make items such as LCD flat panels displays and ultra-thin data storage tape.

Monoethylene Glycol (MEG) Business Overview

The other major feedstock produced by Indorama Ventures is 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 intermediate ethylene oxide. Ethylene oxide reacts with water to produce ethylene glycol.

MEG Products

The major end uses of ethylene glycol are in the polyester industry and in anti-freeze 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 (PEO) Business Overview

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

PEO Products

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 large-scale chemical production. Most ethylene oxide is used for the 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 used in brake fluids, detergents, solvents, lacquers and paints. Other products of ethylene oxide include ethanolamines, which are used in the manufacture of soaps and detergents and for the 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.

Diethylene Glycol (DEG) and Triethylene Glycol (TEG) Business Overview

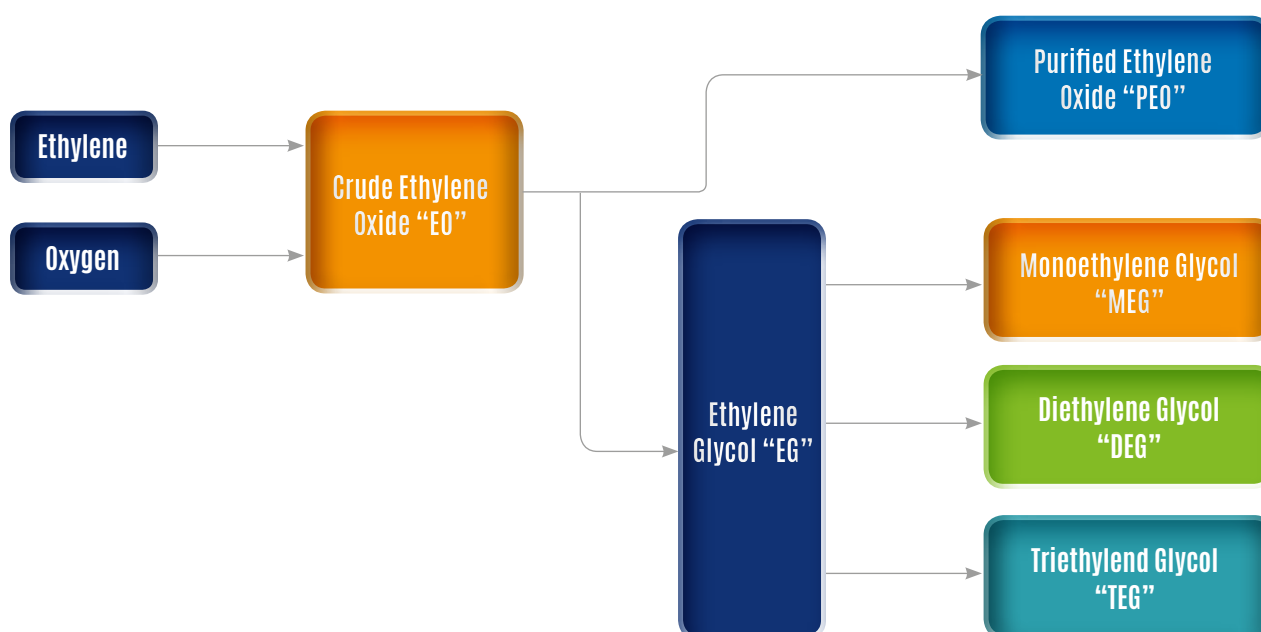
Diethylene Glycol (DEG) is a by-product made together with MEG through the processing of EO. DEG has broad applications and is used to manufacture

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 and 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 Production Process

The chart below summarizes the EO/EG production process.



Oxide and Glycol Sales and Marketing

IVL acquired its first EO/EG plant in April 2012, which has 100% of its sales in North America. Sales and Marketing for Indorama Ventures (Oxide & Glycols), or IVOG, 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 United States 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, Texas plant accompanied an MEG supply 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 plant's production capabilities, giving IVL the option to merchant MEG in the US and global markets or consume the MEG on a captive basis.

In 2014, 2015 and 2016, 21.7%, 31.0% and 31.2% respectively of our EO/EG were sold to the group and 78.3%, 69.0% and 68.8% 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 market with global competitors, all of whom 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 shale gas revolution in America has given US producers advantaged ethylene as a feedstock material ensuring the US as a low-cost region for MEG production. IVL's integration into MEG adds value to the 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 Business Overview

IVL acquired an old and mothballed ethylene cracker located in the United States in Lake Charles, Louisiana, 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 end product of our US cracker once the refurbishment is completed.

Feedstock Production Facilities

The following table sets out the key figures for our feedstock production facilities as of December 31, 2016 (excluding the US Gas Cracker as it is under a restart process):

Production Facility	Location	Nameplate Capacity ⁽¹⁾ ('000 tons per annum)
Indorama Petrochem PTA Facility	Rayong, Thailand	771
TPT Petrochemicals PTA Facility	Map Ta Phut, Thailand	602
IRH Rotterdam PTA Facility	Rotterdam, the Netherlands	380
Polyprima PTA Facility ⁽²⁾	Indonesia	500
CEPSA PTA Facility	Montreal, Canada	600
CEPSA Spain PTA Facility	Spain	325
BP Chemicals PTA Facility	Decatur, United States	1,020
Indorama Ventures (Oxide and Glycol) EO/EG Facility	Texas, United States	550
CEPSA Spain IPA Facility	Spain	220
Total		4,968

(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 a non-operating site: Ottana Polimeri S.R.L.

(2) Joint Venture investment with a 47.25% shared interest.

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 operate. 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 geographic 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 that 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;
- Reduction in overhead needed to manage a diverse set of operations and the addition of more value due to the similarity of the businesses; and
- Strong Research and Development departments with 11 R&D sites globally.



2. Global Sales and Manufacturing Footprint

We are a global company with 67 manufacturing facilities located in 21 countries (as of December 31 2016) 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 logistics costs;
- Benefit from averting existing trade barriers; and
- Reduce the exposure to cyclical and dependence on any single market.

3. Integrated Business Model

Our polyester value chain business is integrated into MEG, PTA, PET resin, polyester fibers and yarns and in packaging at certain locations. A significant proportion of our feedstock (PX, PTA, MEG, IPA) requirements (53.2% in 2014, 48.5% in 2015 and 54.7% in 2016) 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 when there is high demand for raw materials;
- 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, PET, IPA and polyester site co-locations due to a reduction in logistics costs and the sharing of common services; and
- Cost savings through integration due to a reduction in 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. The Company holds a strong cost position in the businesses and regions in which we operate, and we believe that this has been achieved by the following:

We believe we that 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 266,000 tons 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 tons per annum. We have constructed a new PET resin plant in North America at our AlphaPet PET facility in Alabama, US, with a capacity of 445,000 tons 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 volume, earnings and cash flow. The operations at the plant have stabilized and 2016 saw financial benefits from this site.

We believe we have the **best-in-class manufacturing efficiency**, achieved by running our facilities at high capacity utilization rates with optimal levels of labor, low overhead costs as well as energy and utility 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 a significant purchasing advantage for PX, PTA and MEG. We are among the world's largest buyers of PX and MEG. By being a global producer of polyester polymers, we have an advantage over regional producers in being able to manage MEG procurement on a pan-global basis. We are one of the largest merchant PTA buyers in the US market, which provides an enhanced purchasing 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 the 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.

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 United States and also purchase 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/IPA

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 long-term offtake agreements to purchase PTA. Our Poland PET facility is located next door to the 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. In the United States, PET sources PTA from IVL plants in Canada and the US.

Similarly, IPA is being supplied to IVL plants globally (depending on logistics advantages) from its site in Spain and also sold to third-parties.

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, and PTT Group.

Paraxylene

We are among the world's largest buyers of PX. We purchase our PX under long-term contracts with PTT Group, Exxon Chemicals, 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, our PTA facility has its own jetty and Paraxylene arrives by barge. Our Canadian PTA plant is sourcing PX from a nearby supplier.

However, in the United States, IVL now has a PX manufacturing site post acquisition of the BP site in Decatur.

Ethylene

We are the fourth largest non-integrated buyer of ethylene in the United States and purchase ethylene from various suppliers in the United States including Exxon, ChevronPhillips Chemical, and Ineos, and with access to other ethylene pipelines.



A close-up, low-angle shot of the rear of a motorcycle. A person wearing a white t-shirt and blue jeans is riding it. The focus is on the rear wheel with a black tire, the black fender, and two red side lights. The background is a blurred, sunlit outdoor area with dry leaves and trees.

Driving Forward

Specialty products support future growth and offer high barriers to entry in the market. We are reputed as a supplier of polyester tire-cord fabrics (TCF) for passenger cars and light trucks (PCLT).



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.

Financial Summary - Core Financials of Consolidated Business

THB in Millions	2015	2016	YoY%
Total Production (in '000 tons)	7,024	8,729	24%
⁽¹⁾ Consolidated Sales	234,698	254,620	8%
PET	131,834	134,990	2%
Fibers	73,219	73,291	0%
Feedstock	59,960	93,771	56%
⁽²⁾ Core EBITDA	21,958	27,366	25%
PET	8,477	10,104	19%
Fibers	6,691	7,246	8%
Feedstock	6,741	9,563	42%
Core EBIT	12,633	16,304	29%
Reported Profit before Tax	8,516	18,633	119%
Reported Net profit after tax and NCI	6,609	16,197	145%
Reported EPS after PERP Interest	1.15	3.15	172%
Dividend Per Share (Announced)	0.48	0.66	38%
Net Operating Debt to Equity	0.81	0.88	9%

Note:

- (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 the holdings segment.

Executive Summary

For 2016, Indorama Ventures achieved a Net Profit after Tax and NCI of THB 16.2 billion, a rise of 145% on a year-on-year basis driven by improved core performance and extraordinary income primarily coming from gains on bargain purchases from acquisitions. Core EBITDA grew YoY at 25% with each of the business segments contributing to this higher growth. Core EBITDA for the PET segment grew at 19%, the Fibers segment increased by 8% while the Feedstock segment grew at 42%. Production volumes increased sharply by 24% to 8.7 million tons following the completion of two major acquisitions in April 2016 in the relatively higher margin markets of the United States and Europe. These assets were aimed mainly at enhancing value addition and hedging the value chain by increasing feedstock integration and improving the overall financial performance of the Company. All of this was achieved in what was otherwise a tough business environment, especially in Asia with the overall necessities industry being impacted by excess capacity, low operating rates resulting in the lowest margins in the last five years.

As a result of this sterling performance, earnings per share for the year grew exponentially by 172% to THB 3.15 per share. The Board of Directors of IVL proposed a dividend of THB 0.66 per share for 2016 an increase of 38% over 2015. A part of this dividend, amounting to THB 0.30/share was paid for the first half of 2016 with the balance of THB 0.36/share paid in the second.

THB in Millions	9 Months Aromatics Decatur & IVL Spain	2016 IVL excluding Aromatics Decatur & IVL Spain	2016 Core Financials of Consolidated IVL	2015 Core Financials of Consolidated IVL
Production (in '000 tonnes)	1,179	7,550	8,729	7,024
Operating rate (%)	89%	85%	86%	86%
Net Revenue	20,988	233,631	254,620	234,698
Core EBITDA	3,897	23,469	27,366	21,958
Core EBITDA (%)	18.6%	10.0%	10.7%	9.4%
Core EBITDA/t (THB/t)	3,305	3,109	3,135	3,126
ROCE%	12.8%	9.9%	10.4%	9.2%

Improved vertical integration and the inclusion of high value-added products led to improved earnings. Net operating debt-to-equity was 0.88 times, reflecting the two

game-changing acquisitions in 2016. The existing businesses, excluding the two acquisitions made in 2016, also delivered superior performance in 2016 reflecting the impact of ongoing operating excellence projects and the synergy gains across the Company. Overall production of the 2015 portfolio was higher, despite a poor MEG environment in FY2016 and production issues during 1H2016.

The two strategic acquisitions in the United States and Spain, which operated for nine months under IVL starting in April 2016, performed well and we are delighted with the integration of the teams and the businesses within IVL. We believe these businesses bring us even closer to our customers with our enhanced ability to provide a better value proposition, and a superior and reliable supply chain to the industry.

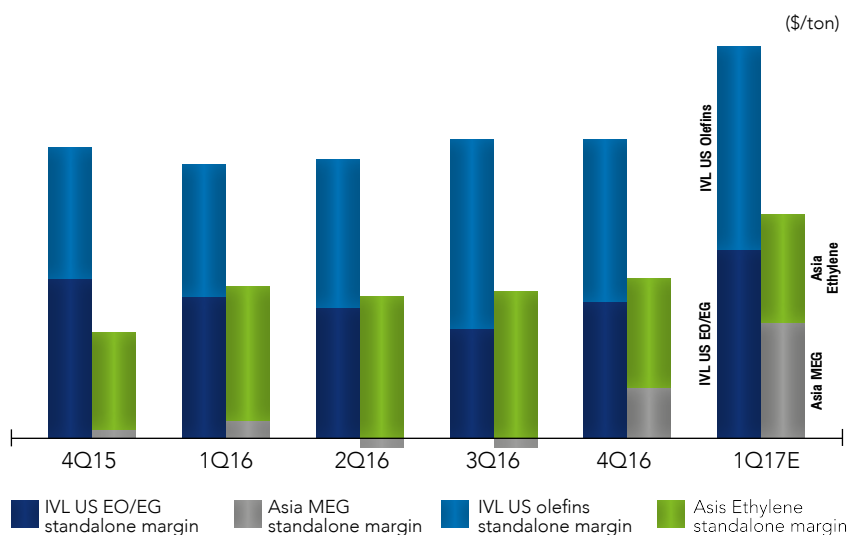
Business Analysis

Performance across all segments improved in 2016. Core EBITDA for the Feedstock segment was higher by 42% on a YoY basis. This was due to a change in the portfolio mix and new volumes arising from the addition of feedstock assets (including PTA, NDC and IPA) in the United States and Spain. Asian PTA core EBITDA also improved on an annual basis, moving up from \$22 per ton in 2015 to \$36 per ton in 2016, all of which more than adequately compensated for the weaker MEG margins in North America which have been recovering since December 2016.

IVL expects to commence commercial production from its dual-feed gas based cracker in the United States by the end of 2017. Once operational, the existing EOEG facility will be fully integrated with own Ethylene. The chart on the right compares margins of IVL's integrated olefin business in the United States against a typical MEG producer in Asia integrated with a naphtha-based cracker.

IVL US Integrated Olefins Margins vs Asia MEG Integrated Margins

Margin = End Product Price over Feedstock Cost less By-Product Credits plus Variable Cost



Source : Industry Data, IVL Analysis

IVL's competitive advantages derive from captive consumption of MEG in the United States and a competitive cost structure due to lower capital costs. As seen in the chart, integrated margins in the United States in 2016 were stable despite the low MEG standalone margins.

IVL's Business Profile

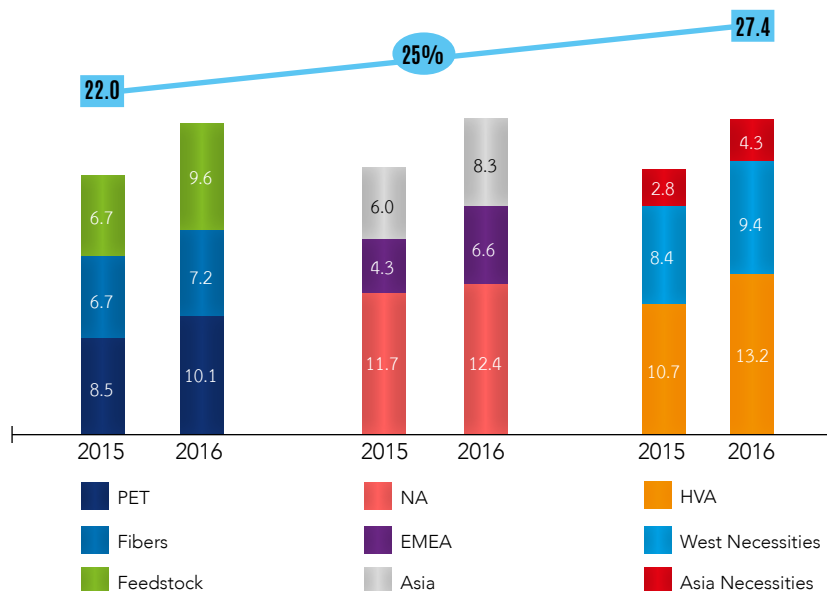
On a portfolio basis, Core EBITDA contributions from the higher-volume PET and feedstock segments expanded as a result of the recent acquisitions and improved integration. Core EBITDA from the PET segment grew 19% mainly on the back of increased volumes which grew by 11% on a Y-o-Y basis. This increase was as a result of the part-year impact of the acquisition in India (Micropet, which since September 2016 was merged with Dhunseri PET and de-consolidated) in 2015 and in Spain in April 2016. After consolidating its position through a joint venture with Dhunseri Petrochemicals in India, which is one of the world's fastest growing markets, the Company has become the second-largest manufacturer of PET in India.

The Company has been willing to take the necessary decisions to protect shareholder value and has impaired one of its plants in Turkey while raising the utilization of its second plant so as to protect its market share and simultaneously improve cost efficiencies. The mothballed plant at Adana, Turkey represented around 1% of IVL's global production capacity thereby not impacting the overall business in any meaningful manner.

EBITDA for the fibers segment grew at 8% on a YoY basis as the Company benefited from the full-year earnings impact of the HVA-oriented Performance Fibers acquisition carried out in 2Q15. The higher operating rate at its greenfield necessity fibers plant in Indonesia helped increase fiber production volume in 2016.

In an ongoing endeavor to improve the quality of analysis provided to capital markets, the management has reviewed the methodology used in order to evaluate inventory gains (or losses). Given that some contracts IVL has with its clients are on a fixed-price basis (net of hedges), or are pre-sold based on previously agreed pricing, volumes of goods that are sold under

Analysis of Core EBITDA in THB Billion



Note: Segments total may not match to IVL due to holdings segment

such contracts are now excluded from the overall inventories being stated at the end of every reported quarter. While this change in methodology does not impact the reported financials of the Company, they have some impact in the core financials. In order to provide a consistent analysis, the core financials have been restated historically.

Indorama Ventures Business Overview

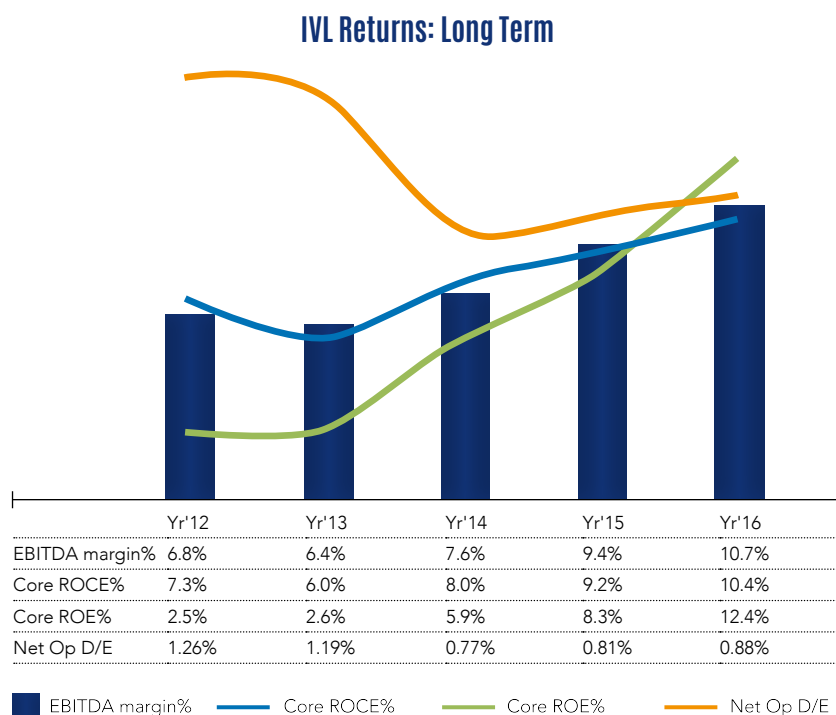
During the historically low-margin environment, the Company's strategy of earnings diversification, strategic growth in key geographies and integration has continued to play a vital role in its ability to deliver industry-leading performance.

On a sustained basis, over the past five years, the Company has enhanced its EBITDA margin from a low of 6.8% in 2012 to 10.7% in 2016. The Company also enhanced its returns with Core ROCE increasing from 7.3% to 10.4% in 2016 while its Core ROE has grown sharply from a low of 2.5% in 2012 to over 12% in 2016. Diversification into HVA products, which now account for half of overall core EBITDA, has enabled the Company to remain in a strong position throughout a period of weaker margins. Even in more recent times, IVL's performance has been enhanced as its winning strategy continues to deliver superior performance and helped consolidate its position as a global market leader in its businesses.



Long-Term Margins and Returns

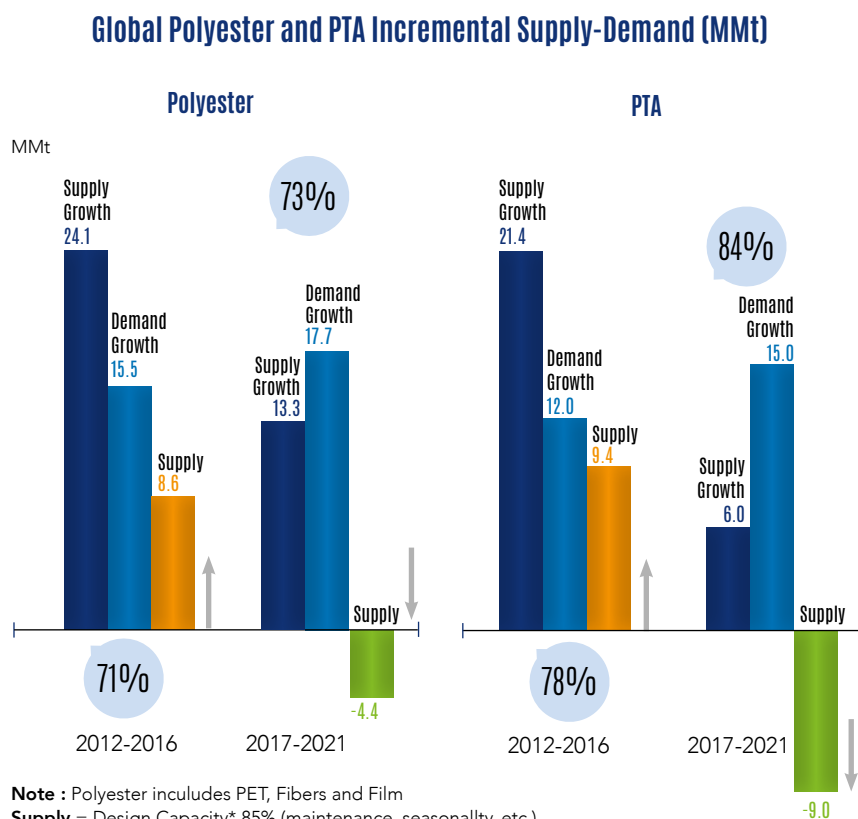
IVL has significantly improved the quality of earnings and enhanced its scale of operations and has achieved this while strengthening its Balance Sheet by lowering the net leverage ratio. All of this was achieved, despite headwinds experienced by the industry as a whole. Given its global scale, the Company is well-positioned to benefit as and when these headwinds turn to tailwinds. Fewer announcements of capacity expansions, expectations of a higher interest rate environment and greater caution by lenders in China are expected to play a role in accelerating the process of consolidation in the industry and improving the margin environment for global players in the sector as can be seen in the following chart.



Global Supply Easing to Help Improve Operating Environment

Better Supply-Demand Balance

The acquisition of a former BP plant in Decatur, in April 2016, led to further vertical integration of feedstock in the United States, as the Company now has Paraxylene, PTA and PET (and Recycled PET) at the same site. Similarly, the acquisition of assets from CEPESA in Spain helped strengthen IVL's position in PTA and PET in EMEA and added a unique exposure to IPA (Isophthalic Acid), for which the Company is Europe's sole producer. Hence, the volumes of all products globally rose 24% while Feedstock alone rose 54%. On an overall basis, average utilization rates across the group also remained steady at 86%. On an annual basis, Core EBITDA per ton was marginally impacted due to the impact of the shutdown in the Company's MEG facility in the United States during 1Q16.



Ongoing Capital Investments

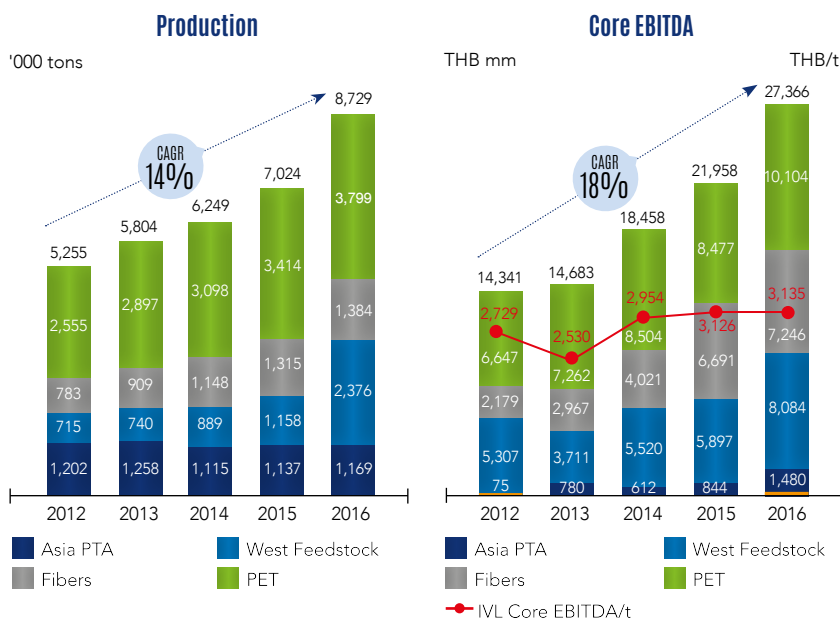
The Company has effective strategies for entering into high-growth markets, strategically integrating, and adding value-added products to its portfolio. Having completed all of its previously announced acquisitions, there are several ongoing growth projects with a targeted timescale.

- The dual-feed, gas-based ethylene cracker purchased in Louisiana, in the United States, is undergoing renovation and is on target for completion by the end of 2017, offering 2018 as the first full-year of revenues. The planned capacity of this cracker is 440 KTA. To date, all environmental licenses have been acquired and agreements made for the supply chain.
- Prior to the above, the PTA expansion in Rotterdam, the Netherlands, will come online in mid-2017. This brownfield expansion will help the Company double its PTA capacity from its current 350 KTA to an overall capacity of 700 KTA thereby enabling full integration for its PET facilities in EMEA. The enhanced production will significantly reduce the total cost per ton for the Rotterdam PTA facility.
- In January 2017, the Company also announced the expansion of its High-value added Performance Fiber tire-cord facility in China (expected startup in 1H18), as well as the expansion of its fiber capacity in Indonesia (expected startup in 1Q19).
- The IPA facility in Spain is being prepared to double its production to 250 KTA (expected growth in volumes in 1Q18 is based on the committed supply of xylenes).

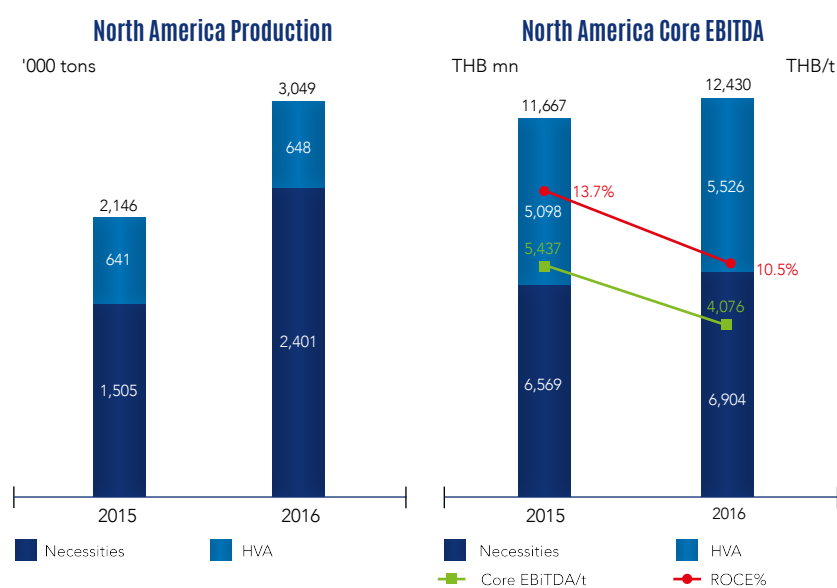
In addition, the Company also has several debottlenecking projects underway. These approved and committed growth projects will be achieved through an investment of around USD 1.0 billion (THB 35 billion) to be incurred over 2017 and 2018. Based on the collective outcome of these expansion and debottlenecking projects, IVL is on track to achieving its announced goals for 2018.

Regional Growth

Annual Business Segments-Production Volume and Core EBITDA



North America (NA) Segment



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

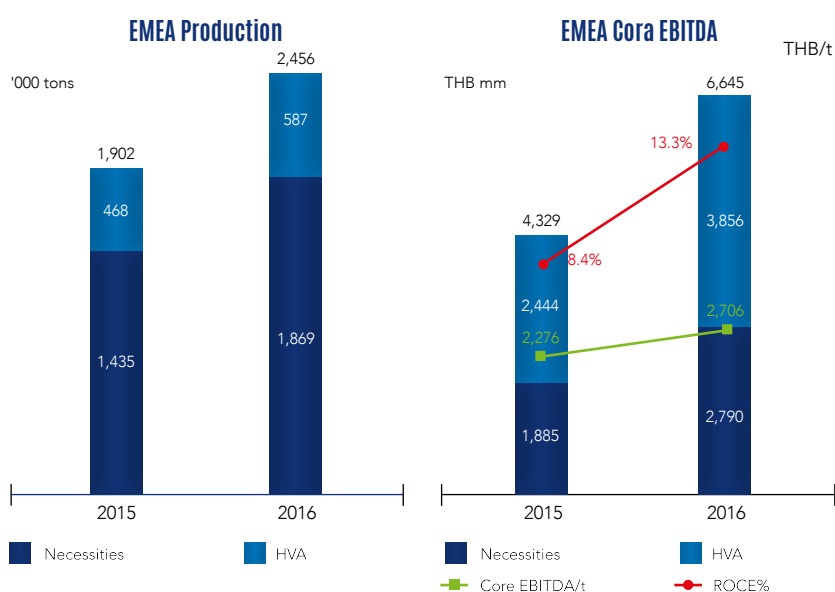
Volumes in North America grew from 2.1 million to 3.0 million tons following the completion of the acquisition of the Aromatics Decatur complex. As a result, core EBITDA in 2016 rose to THB 12.4 billion from THB 11.7 billion achieved in 2015. The operating rate in North America continues to be roughly

80% providing the Company with additional operating leverage in case of opportunities for import substitution. North America, with three major PET players, remains a meaningful earnings region for the Company.

The Annual ROCE and EBITDA/t were impacted due to the production issues in the first half of 2016 at the IVOG facility (which manufactures ethylene oxide and glycols). The Company has also been enhancing its cost competitiveness by investing in vertical integration and recycling in North America, thus enhancing our position as a responsible player in the industry while reducing our carbon footprint.

North America contributed 38% of the Company's revenues with the United States itself at around 75% of the Company's North American operations. The United States is currently a net importer of the entire value chain and expected changes in the duty structure and tariffs will positively impact integrated local operators including the Company. Indorama Ventures does not export any of its production from Mexico to the United States at this juncture. IVL's PTA production in Canada could adequately support its internal needs in Mexico, thereby making its American operation fully integrated within the country and aimed at meeting domestic needs.

Europe, Middle East and Africa (EMEA) Segment



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

The EMEA region contributes approximately 32% of the Company's revenues and benefited from volume growth of 29% in 2016. The successful acquisition of PET, PTA and IPA assets in Spain have contributed to higher volumes.

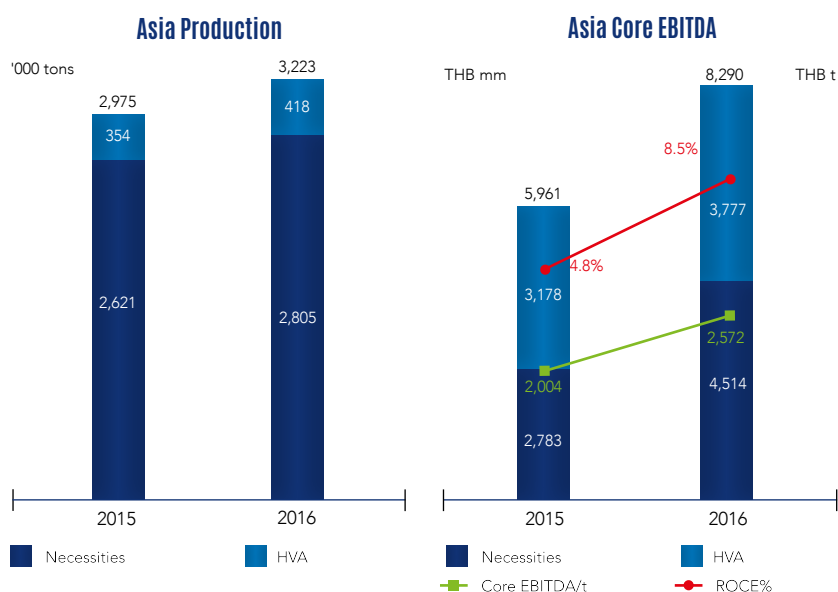
The improved portfolio mix including the HVA business and accretive acquisitions have resulted in higher core EBITDA/t of THB 2,706. Subsequently, the ROCE for the EMEA region significantly improved from 8.4% p.a. to 13.3% p.a. This was achieved despite weakness in the euro and capacity impairment on the Company's plant in Adana, Turkey.

In Africa, the businesses in Nigeria and Ghana continued to operate on a normal basis as can be expected in an emerging market and has shown growth in volumes and earnings despite the significant currency pressure in Nigeria.

Asian Segment

Core EBITDA for the region in 2016 increased significantly due to higher volumes from our HVA business, especially tire cord, resulting in a sharp increase of around 28% in core EBITDA/t. On the necessities front, higher EBITDA in the Company's PTA segment helped to some extent but remains far below its potential.

Now that the 50/50 JV with Dhunseri in India is completed, the Company ceased consolidating the MicroPet facility and used the equity method treatment since September 2016. However, the Company is expected to take a portion of the fast-growing market in the Indian sub-continent (India, Bangladesh and Nepal) with the Joint Venture's combined capacity of 700,000 tons.



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

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 numbers 2, 3 and 40 of our full-year 2016 audited financial statements.

Emphasis of Matter in the Auditors Opinion

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

As disclosed in note 4 to the consolidated financial statements, the Group completed the acquisition of a 50% equity interest in Dhunseri Petglobal Limited resulting in the recording of goodwill of THB 898.6 million as part of an investment in the joint venture in the consolidated statement of financial position as of 31 December, 2016. The fair value of identifiable net assets and the allocation of the purchase price have been provisionally determined and are subject to potential amendment.

Performance Comparison

Business Segments - Key Financial Data

	2015	2016	YoY%
Production (000 tons)	7,024	8,729	24%
PET	3,414	3,799	11%
Fibers	1,315	1,384	5%
Feedstock	2,295	3,545	54%
<i>West Feedstock</i>	<i>1,158</i>	<i>2,376</i>	<i>105%</i>
<i>Asia PTA</i>	<i>1,137</i>	<i>1,169</i>	<i>3%</i>
Operating rate (%)	86%	86%	0%
PET	84%	84%	0%
Fibers	90%	88%	(2)%
Feedstock	86%	87%	1%
<i>West Feedstock</i>	<i>90%</i>	<i>88%</i>	<i>(3)%</i>
<i>Asia PTA</i>	<i>83%</i>	<i>85%</i>	<i>3%</i>
Core EBITDA/t (US\$/t)	91	89	(3)%
PET	72	75	4%
Fibers	148	148	(0)%
Feedstock	86	76	(11)%
<i>West Feedstock</i>	<i>149</i>	<i>96</i>	<i>(35)%</i>
<i>Asia PTA</i>	<i>22</i>	<i>36</i>	<i>66%</i>

Revenue from the sale of goods

THB in Millions	FY 2015	FY 2016	Change (%)
Revenue from the sale of goods	234,697.9	254,619.5	8.5%
Add: Eliminations	30,315.4	47,432.0	
Adjusted revenue from the sale of goods	265,013.3	302,051.5	14.0%
PET	131,834.0	134,989.5	2.4%
Fibers	73,218.8	73,291.0	0.1%
Feedstock	59,960.5	93,771.1	56.4%

Sales revenue for the year ended 2016 was THB 254,619.5 million, an increase of 8.5% from 2015 and in-line with volume growth of 24% although higher intercompany sales and lower prices followed the trend in crude prices.

PET Revenue

PET revenue for the year ended 2016 was THB 134,989.5 million, an increase by THB 3,155.5 million or 2.4% from 2015, mainly driven by increased volumes, which grew by 11%. This increase was a result of the part-year impact of the acquisition in India (MicroPet, which since September 2016 was merged with Dhunseri PET and de-consolidated) in 2015 and in Spain in April 2016.

Fibers Revenue

Fibers revenue for the year ended 2016 was THB 73,291.0 million, a slight increase from THB 72.1 million or 0.1% from 2015 despite a 5% increase in volumes as prices were lower over the last year.

Feedstock Revenue

Feedstock revenue for the year ended 2016 was THB 93,771.1 million, an increase of THB 33,810.6 million or 56.4% from 2015, in-line with volume growth of 54%. New volume came from our new acquisition from CEPESA's assets in Spain, and the Aromatics Decatur complex in the United States.

Cost of Sale of Goods

THB in Millions	FY 2015	FY 2016	Change (%)
Cost of sale of goods	202,066.2	211,696.0	4.8%
As a percentage of total revenues	86.1%	83.1%	
Add: Eliminations	28,093.7	44,126.3	
Adjusted cost of sale of goods	230,160.0	255,822.2	11.1%
PET	117,411.9	116,532.2	(0.7)%
As a percentage of total PET revenue	89.1%	86.3%	
Fibers	62,189.9	61,428.0	(1.2)%
As a percentage of total Fibers revenue	84.9%	83.8%	
Feedstock	50,558.2	77,862.1	54.0%
As a percentage of total Feedstock revenue	84.3%	83.0%	

Our cost of sales for the year ended 2016 was THB 211,696.0 million, an increase of THB 9,629.7 million or 4.8% from 2015 which is in-line with the increase in sales revenue.

PET Cost of Sale of Goods

For the year ended 2016, PET cost of sale of goods was THB 116,532.2 million, a slight decrease of THB 879.7 million or 0.7% from 2015, mainly due to a change in the regional mix over the last year and also the post-acquisition of MicroPet and IVL Spain.

Fibers Cost of Sale of Goods

For the year ended 2016, Fibers cost of sale of goods was THB 61,428.0 million, a slight decrease of THB 761.9 million or 1.2% from 2015, mainly due to a change in the regional mix over the last year.

Feedstock Cost of Sale of Goods

For the year ended 2016, Feedstock cost of sale of goods was THB 77,862.1 million, an increase of THB 27,303.9 million or 54.0% from 2015, in-line with an increase in sales revenue.

Gross Profit

THB in Millions	FY 2015	FY 2016	Change (%)
Gross Profit	32,631.7	42,923.6	31.5%
As a percentage of total revenues	13.9%	16.9%	
Add: Eliminations	(2,221.7)	(3,305.7)	
Adjusted gross profit	34,853.4	46,229.3	32.6%
PET	14,422.1	18,457.3	28.0%
As a percentage of total PET revenue	10.9%	13.7%	
Fibers	11,028.9	11,862.9	7.6%
As a percentage of total Fibers revenue	15.1%	16.2%	
Feedstock	9,402.3	15,909.0	69.2%
As a percentage of total Feedstock revenue	15.7%	17.0%	

Gross Profit for the year ended 2016 was THB 42,923.6 million, an increase of THB 10,291.8 million or 31.5% from 2015. The gross profit margin of 16.9% in 2016 increased from the prior year mainly due to a change in the product mix towards higher value-addition and from hedging the value chain by increasing feedstock integration.

PET Gross Profit

For the year ended 2016, PET gross profit was THB 18,457.3 million, an increase of THB 4,035.2 million from 2015 in-line with volume growth. PET gross profit margin in 2016 was 13.7%, an increase YoY as a result of synergies from acquisitions, lower prices and management actions to optimize costs in various locations.

Fibers Gross Profit

For the year ended 2016, Fibers gross profit was THB 11,862.9 million, an increase of THB 834.0 million from 2015 in-line with an increase in volumes. Gross profit margin in 2016 was 16.2%, marginally increasing from the prior year as a result of synergies from acquisitions, lower prices and management actions to optimize costs in various locations.

Feedstock Gross Profit

For the year ended 2016, Feedstock gross profit was THB 15,909.0 million, an increase of THB 6,506.7 million from 2015 in-line with an increase in volumes and a change in the product mix. Gross profit margin in 2016 was 17.0%, an increase from the prior year due to a change in the portfolio mix and new volumes arising from the addition of feedstock assets (including PTA, NDC and IPA) in the United States and Spain.

*Spread or Raw Material Margins

Amount in USD per MT	FY 2015	FY 2016
Industry spread		
Asia PET	117	114
West PET (50:50- North America : Europe)	211	178
IVL spread		
Asia PET	157	149
West PET (IVL Actual Mix)	238	222
Industry spread		
Asia PTA	95	97
West PTA (50:50- North America : Europe)	214	213
IVL spread		
Asia PTA	104	126
West PTA (IVL Actual Mix)	217	217

*Selling price less raw material consumption

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

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

THB in Millions	FY 2015	FY 2016	Change (%)
EBITDA⁽¹⁾	19,404.8	27,626.7	42.4%
Add: Inventory loss/(gain) ⁽²⁾	2,552.7	(261.1)	
CORE EBITDA	21,957.6	27,365.7	24.6%
As a percentage of total revenues	9.4%	10.7%	
Add: Eliminations and others ⁽³⁾	(48.3)	(452.2)	
Adjusted CORE EBITDA	21,909.3	26,913.5	22.8%
PET	8,477.2	10,103.8	19.2%
As a percentage of total PET revenue	6.4%	7.5%	
Fibers	6,691.2	7,246.2	8.3%
As a percentage of total Fibers revenue	9.1%	9.9%	
Feedstock	6,740.9	9,563.4	41.9%
As a percentage of total Feedstock revenue	11.2%	10.2%	

(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 gains (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.

Core EBITDA for the year ended 2016 was THB 27,365.7 million, an increase of THB 5,408.1 million or 24.6% from 2015 and in-line with volumes. Core EBITDA is defined as EBITDA plus Inventory loss/(gain).

PET Core EBITDA

PET Core EBITDA for the year ended 2016 was THB 10,103.8 million, an increase of THB 1,626.6 million or 19.2% from 2015. This increase came largely from our acquisition of MicroPet in India, the full year performance of Bangkok Polyester which was acquired in May 2015, and the nine months of volume from the acquisition in Spain.

Fibers Core EBITDA

Fibers Core EBITDA for the year ended 2016 was THB 7,246.2 million, an increase of THB 555.1 million or 8.3% from 2015. The Company benefited from the full-year earnings impact of the HVA-oriented Performance Fibers acquisition carried out in 2Q15. The higher operating rate at the Company's greenfield necessity fibers plant in Indonesia helped increase fibers production volume in 2016. This primarily helped improve the Core EBITDA margin to 9.9% in 2016 amid lower prices.

Feedstock Core EBITDA

Feedstock Core EBITDA for 2016 was THB 9,563.4 million, an increase of 41.9% from THB 6,740.9 million in 2015. This was due to a change in the portfolio mix and new volumes arising from the addition of feedstock assets (including PTA, NDC and IPA) in the United States and Spain.

Other Revenues

THB in Millions	FY 2015	FY 2016	Change (%)
Interest Income	166.7	124.4	(25.4)%
Net foreign exchange gain/(loss)	48.5	543.1	1,020%
Gain on a bargain purchase	3,625.7	6,698.6	84.8%
Other income	1,594.8	1,459.5	(8.5)%
Total	5,435.6	8,825.5	62.4%

Interest Income

Interest Income for the year ended 2016 was THB 124.4 million, a decrease of THB 42.3 million or 25.4% from 2015. This was mainly due to a decrease in current investments during the year.

Net foreign exchange gain/(loss)

There was a net foreign exchange gain for 2016 of THB 543.1 million, an increase of THB 494.6 million or a 1,020 % increase from 2015. This was primarily due to a realized gain on foreign exchange on investment movements in the holding entities.

IVL has a disciplined approach to hedging receivables and payables. Currency volatilities from operations are also hedged in a natural way due to our global presence, for example USD assets are hedged naturally against USD liabilities. Any unrealized gains or losses on investments in overseas investments go into the section 'Translation Reserves' in shareholders' equity.

Gains on bargain purchases

During 2016, 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 2016, IVL had gains on bargain purchases of THB 6,698.6 million. The following details are given:

THB 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 year 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
Companies acquired during the year ended December 31, 2016							
Chemical complex of BP Amoco Chemical Company, USA	14,491.1	3,526.7	18,017.8	100%	18,017.8	14,728.0	3,289.8
Guadarranque Polyester S.L.U., Spain	7,823.7	3,422.5	11,246.2	100%	11,246.2	7,837.4	3,408.8
							6,698.6

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 4 – Acquisitions of Businesses in the Audited Financial Statements. Net identifiable assets acquired including intangible assets i.e. customer contracts, technology licenses and know-how, 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 3 – Significant accounting policies in the Audited Financial Statements.

IVL's management expertise and business model allows us to buy companies most of the time at below their fair value as determined by an appraiser. We therefore need to record the

gain on bargain purchases. These gains are recorded under property plant & equipment or intangibles or other assets, as applicable.

Other Income

Other income for the year ended 2016 was THB 1,459.5 million, a decrease of THB 135.3 million or 8.5% from 2015. In 2015, IVL recorded insurance claim income from business interruptions as a result of force majeure declared by a major PTA supplier in North America. In 2016, IVL received partial reimbursement of THB 432.9 million in respect of these advance payments against which provision for loss had previously been provided and recorded as other income. Please refer to Note 26 – Other income in the Audited Financial Statements for further details.

Expenses

THB in Millions	FY 2015	FY 2016	Change (%)
Selling expenses	12,443.5	14,637.9	17.6%
Administrative expenses	6,736.5	7,041.1	4.5%
Management benefit expenses	112.9	143.7	27.3%
Total	19,292.9	21,822.7	13.1%

Total expenses for the year ended December 31, 2016 was THB 21,822.7 million, an increase of THB 2,529.8 million or 13.1% from 2015 as a result of higher spending on selling and administrative expenses in-line with our volume growth as well as an increase in depreciation expenses from the Company's two major acquisitions in the United States and Spain. However, during 2015, we had made a provision of THB 609.7 million in administrative expenses against advance payments for costs relating to the Abu Dhabi project which may not be recoverable. But we received partial reimbursement of THB 432.9 million in respect of these advance payments which was recorded as other income in 2016.

Management benefit expenses increased from last year due to an increase in wages and salaries and an increase in the number of sites and managers through organic and inorganic growth. Please refer to Note 30 – Employee benefit expenses of the Audited Financial Statements for further details on this item.

Research and Development (R&D) Expenses

IVL has a strong R&D platform with 11 centers for innovation around the world. IVL is strongly committed to providing innovative solutions to our customers and focusing on an agenda geared to sustainability. IVL has many high value-added businesses which require R&D, and as a result, IVL has a focused approach to innovation. In 2016, IVL spent THB 356.7 million (2015: THB 357.3 million) on R&D which was booked under appropriate expenses.

Finance Costs

Finance costs for the year ended 2016 was THB 4,222.3 million, an increase of THB 570.2 million from 2015 that was in-line with an increase in overall interest-bearing liabilities.

Share of loss of jointly-controlled entities, net

IVL had a share of loss from joint ventures in the amount of THB 173.1 million and THB 242.2 million for the year ended 2016 and 2015, respectively. A significant decrease in the share of loss from joint ventures was due to improved performance in most of the joint venture companies. Moreover, new joint ventures were acquired/de-consolidated this year, namely, Dhunseri and MicroPet. Please refer to Note 12 – Investment in joint ventures in the Audited Financial Statements for further details.

Income Tax Expense

The company's income tax expense for 2016 was THB 2,062.2 million, an increase of THB 181.3 million from 2015. This was in-line with an increase in earnings in 2016. However, the effective tax rate (ETR) declined from 21% in 2015 to 11% in 2016 as a result of a more even spread of profits between different IVL operating jurisdictions (when compared to 2015, which was skewed towards the U.S.). Moreover, there was an increased 'Gain on Bargain Purchase' in 2016, which is non-cash income that did not have a tax incidence. This also led to a reduction in the ETR.

Net Profit

THB in Millions	FY 2015	FY 2016	Change (%)
Net profit	6,888.4	16,359.2	137.5%
As a percentage of total revenues	2.9%	6.4%	
Profit attributable to:			
Owners of the Company	6,609.3	16,197.1	145.1%
Non-controlling interests	279.1	162.1	(41.9)%

Net Profit for the year ended December 31, 2016 was THB 16,359.2 million, an increase of THB 9,470.8 million or 137.5% from 2015 due to higher earnings and net extraordinary incomes. Please refer to the explanation of EBITDA above for more details. 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 the business.

Financial Position

The Company closely monitors the financial position, and any changes, of various businesses at the group level. An analysis of the financial position is presented below:

Total Assets

As of December 31, 2016 and 2015, IVL had total assets of THB 258,380.5 million and THB 221,640.6 million, respectively. The increase of 16.6% was mainly due to growth in the Company's business from expansions and acquisitions. The major assets are as follows:

Trade Accounts Receivable

As of December 31, 2016 and 2015, IVL reported trade accounts receivable of THB 31,085.5 million, and THB 27,499.6 million respectively, representing 12.0% and 12.4% 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 amounts that are over 12 months overdue in order to ensure that the allowance is adequate. The allowance for doubtful accounts is in a narrow low-range due to the close follow-up and collections that is conducted on time. The aging analysis for trade accounts receivable is as follows:

	Consolidated financial statements	
	December 31, 2015	December 31, 2016
	(THB in Millions)	
Related parties		
Within credit terms	664.3	709.4
Overdue:		
Less than 3 months	564.7	284.6
Net	1,229.0	994.0
Other parties		
Within credit terms	21,915.5	27,069.8
Overdue:		
Less than 3 months	3,350.2	2,907.7
3-6 months	740.2	57.3
6-12 months	235.7	48.3
Over 12 months	164.1	134.0
	26,405.7	30,217.2
<i>Less: allowance for doubtful accounts</i>	<i>(135.1)</i>	<i>(125.8)</i>
Net	26,270.6	30,091.5
Total	27,499.6	31,085.5

Inventories

As of December 31, 2016 and 2015, IVL reported inventories of THB 40,458.9 million and THB 31,785.6 million, respectively, representing 15.7% and 14.3% of total assets. This increase was in-line with the Company's expansion and business growth in 2016.

Investment in joint ventures

As of December 31, 2016 and 2015, IVL reported investment in jointly-controlled entities of THB 5,529.8 million and THB 1,962.4 million, respectively, representing 2.1% and 0.9% of total assets. The increase mainly resulted from: 1) acquisition of a 50% shared interest in Dhunseri Petglobal Limited in India; 2) selling a 50% shared interest in MicroPet to Dhunseri Petrochem Limited, accounting treatment for this investment has therefore been changed from the consolidation method to take equity method as joint ventures; and 3) increase in shared interest in Polyprima from 43.16% to 47.25%.

Property, plant and equipment (PPE)

As of December 31, 2016 and 2015, IVL reported property, plant and equipment of THB 136,860.3 million and THB 120,365.6 million, respectively, representing 53.0% and 54.3% of total assets. The slight increase resulted from two strategic acquisitions in the United States and Spain, the ongoing Rotterdam PTA expansion in addition to the Gas Cracker in America.

The PET segment saw a decrease of 13.1% in its PPE in 2016 over 2015 to THB 38,868.3 million. This was primarily due to the de-consolidation of MicroPet in India after a reduction in the shared interest from 100% to 50% as a joint venture in September 2016. However, there has been an asset addition in this segment from the acquisition of PET assets in Spain.

The Fibers segment saw a decrease of 1.9% in its PPE in 2016 from 2015 to THB 33,944.0 million. There was no major asset acquisition in this segment. The decline in PPE was mainly as a result of depreciation during the year.

The Feedstock segment saw an increase of 55.9% in its PPE in 2016 from 2015 to THB 63,843.7 million. This was primarily due to two major acquisitions in the United States (including PX, PTA and NDC facilities) and Spain (including IPA and PTA facilities) in 2016 together with the ongoing expansion of PTA at our Rotterdam site.

Other Intangible Assets

As of December 31, 2016 and 2015, IVL reported intangible assets of THB 17,602.2 million and THB 13,581.2 million, respectively, representing 6.8% and 6.1% of total assets. The increase primarily resulted from the acquisition of businesses in the United States and Spain in 2016, e.g. technology licenses and know-how, customer contracts and relationships, trade name and trademarks. IVL recorded additional intangible assets on the acquisitions as fair value, which was appraised by an independent appraiser as higher than the acquisition price.

Loan to related parties

IVL has given certain loans to related parties as per Note 5-Related parties in the Audited Financial Statements. There are given for various strategic reasons and as of December 2016, these amounts are not material.

Total Liabilities

As of December 31, 2016 and 2015, IVL reported total liabilities of THB 166,565.5 million and THB 138,687.7 million, respectively. The increase in total liabilities resulted from an increase in loans from financial institutions, issuance of debentures, and higher trade accounts payable which were all in-line with the growth in volumes from business expansion and acquisitions.

Trade accounts payable

As of December 31, 2016 and 2015, IVL had trade accounts payable of THB 37,316.1 million and THB 31,149.0 million, respectively. This was in-line with the growth in volumes from business expansion and acquisitions. The payment days for the year ended 2016 and 2015 was 57 days and 51 days, respectively. IVL was able to get extended credits from its suppliers as its volume increased in 2016 from 2015.

Interest-bearing liabilities

As of December 31, 2016 and 2015, IVL reported interest-bearing liabilities of THB 102,105.5 million and THB 83,606.3 million, respectively, representing 39.5% and 37.7% of total liabilities and shareholders' equity.

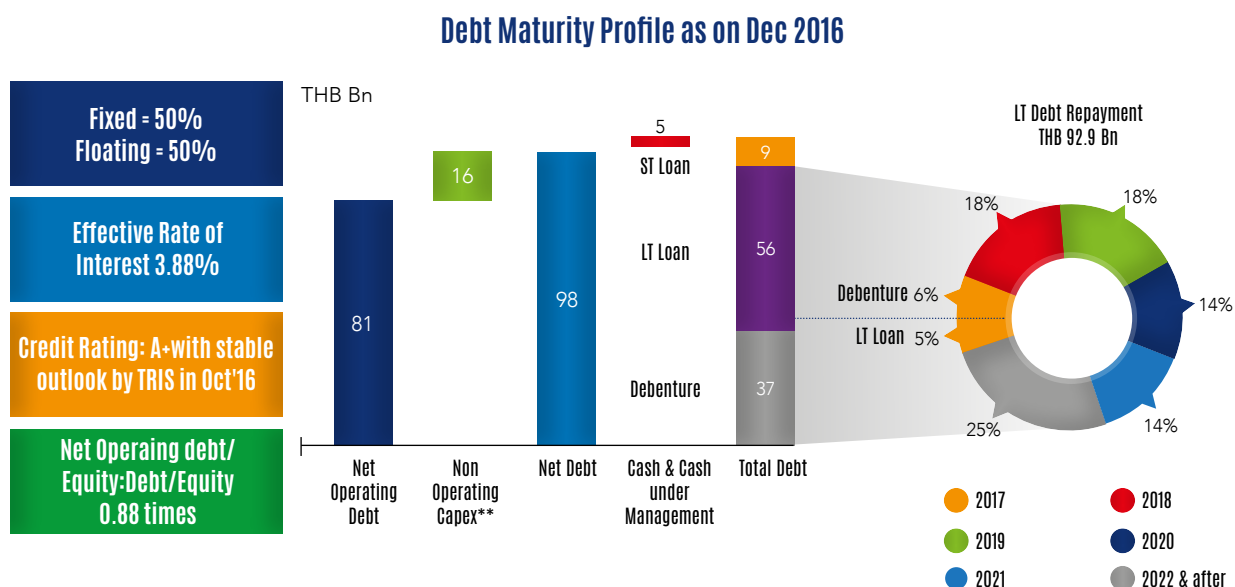
Our net operating debt-to-equity increased slightly from 0.81 times at the end of 2015 to 0.88 times at the end of 2016, after spending on capex and investments of THB 37,177.3 million in 2016. IVL's net operating debt increased from THB 67,296.4 million at the end of December 31, 2015 to THB 81,038.4 million at the end of December 31, 2016, mainly due to payments for acquisitions in 2016.

The table below describes total debt and net operating debt in THB billions:

THB in Billions	2015	2016
Total Debt	84	102
Bank overdraft and short-term loans	12	9
Long-term debt (Current portion)	2	4
Debentures (Current portion)	3	5
Long-term debt (Non-current portion)	34	51
Debentures (Non-current portion)	32	32
Cash & Cash under management	4	5
Cash and cash equivalents	3	4
Current investments and loans given	1	1
Net Debt	79	98
⁽¹⁾ Non-operating Debt (Project Debt)	12	16
Net Operating Debt	67	81
Net debt-to-equity (times)	0.96	1.06
Net operating debt-to-equity (times)	0.81	0.88
Debts with fixed interest %	68%	50%
Credit Rating by TRIS (Reaffirmed in October 2016)	A+	A+
Liquidity	51	51
Unutilized credit line	47	47
Financial Ratios		
Current ratios (times)	1.2	1.3
Debt Servicing Coverage Ratio (DSCR) times	2.3	2.9
Interest coverage ratio (times)	6.1	6.7

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

The graph below provides the repayment schedule for long-term debt and debentures in THB billions:



*Include interests only on short term and long term debts.

**Include Gas Cracker, Rotterdam Expansion & other capex which are at project stage & not contributing to revenue as on date.

Shareholders' equity

As of December 31, 2016 and 2015, IVL reported shareholders' equity of THB 91,814.9 million and THB 82,953.0 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 decrease in the translation reserve from the translation loss of overseas investments due to a stronger Thai baht in 2016 over 2015. Please refer to "Statement of Changes of Equity" in the Audited Financial Statements for more details.

Cash Flow

IVL generated THB 24,946.2 million of cash flow from operating activities in 2016, slightly improved from THB 24,806.1 million in 2015. This came largely from profits from operations generated in the period offset by marginal outflows of net working capital.

Cash flow used in investing activities of THB 36,382.2 million in 2016 was primarily paid towards the acquisition of the Aromatics Decatur complex in the United States and IVL Spain as well as the expansion of our PTA facility in Rotterdam and US Gas Cracker. Capex and investments were funded by a mix of long-term loans and cash flow from operations.

Cash flow from financing activities of THB 12,222.7 million in 2016 was principally a result of cash proceeds from the issuance of debentures, and short and long-term loans-net of repayment that were used to support business growth. In contrast, there was cash outflow for interest and dividend payments in 2016.

Liquidity

Strong cash flow from operations and a longer average loan maturity led to a high liquidity position for the Company. As at December 2016, IVL had liquidity of THB 51,156.9 million, 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 stood at 1.3 times at the end of 2016, slightly increased from 1.2 times in 2015. This illustrated the strong financial position and liquidity of the Company as well as assurance of the Company's ability to pay off our short-term liabilities.

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 19.2% and 8.7% in 2016 and 2015, respectively. In addition, IVL achieved core ROE of 12.4% in 2016 compared to 8.3% in 2015, a significant increase of 48.5%. ROE increased in-line with core net profit growth.

Note : For Core ROE calculation, we use the formula as follows: Core profit attributable to owners of the Company after interest on perp / average of the equity attributable to shareholders of the Company.



Return on Assets Ratio (ROA)

Our ROA ratio is calculated by dividing profit before finance costs and income tax expenses by the average total assets. For the year ended 2016 and 2015, our ROA ratio was 9.4% and 6.0%, respectively. In addition, IVL achieved core ROA of 6.7% in 2016 compared to 5.9% in 2015, representing a 41.1% increase. ROA increased in-line with core net profit growth.

Net Debt-to-Equity Ratio (D/E)

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, 2016 and 2015, our net interest bearing debt-to-equity stood at 1.1 times and 1.0 times, respectively. The Company's gearing ratio increased slightly from last year while the Company

raised cash through the issuance of debentures and additional long-term loans from financial institutions, which was used in acquisitions, ongoing expansion and working capital needs. However, the debt covenant for most of the debts is not over two times net debt-to-equity.

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, 2016 and 2015, our DSCR was at 2.9 times and 2.3 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 at least 1.1 times DSCR.



Safe Journey

Safety is an important factor in improving the quality of life. We aim to develop innovative products that meet the needs of our users. We provide a variety of materials serving the automotive sector.

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 both the corporate and subsidiary levels around the world 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 Core Business 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 is inevitable and is going to have potentially serious implications for businesses. Post-COP21, IVL anticipates more environmental, social, political, and economic repercussions. The Company has carried out Climate Change Risk and Opportunity analyses.

The following are some of the Climate Change Risks:

- **Regulatory Risks:** Increased operational costs due to direct climate change legislation (e.g. cap-and-trade, carbon taxes) and indirect legislation (renewable energy targets, efficiency upgrades, etc.) may impact the Company's operations.

As of 31 December 2016, IVL has 67 operating sites in 21 countries. Depending on the scope of any carbon levy, IVL could be directly and/or indirectly affected either through increased production costs and/or through impacts from the supply chain and downstream customers.

There would be financial implications as the Company would be required to produce more energy efficient, less carbon intensive products for climate protection in the long-term.

- **Physical Risks:** Extreme weather events, increasing frequency and severity of floods, droughts, cyclones, etc., may impact the Company's operations and supply chain.
- **Changing Consumer Preferences:** Changing consumption patterns towards increasing demand for environmentally-friendly products and technologies will most probably result in a declining demand for established or GHG-intensive products, particularly in Europe. A company that is lagging in this area could face the risk of being outmaneuvered by companies that have positioned themselves early with eco-friendly or green products/services.

- **Reputational Risks:** This is another important risk as companies that are perceived as laggards on climate action risk could face damage to their reputation and brand image.

At the same time, climate change is also perceived as an opportunity as changes in regulations will drive the Company towards increasing use of renewable energy, innovation and production of low-carbon products thereby increasing the Company's standing in the minds of consumers, making IVL a preferred company.

The following are some of the Climate Change Opportunities:

- Tax incentives for increased use of renewable energy
- Becoming the most preferred company on the part of consumers
- Savings from Global Carbon and Emission Trading Schemes due to reductions in carbon emissions
- An enhanced reputation for being an environmentally-friendly company

The management has nominated one senior executive at the corporate level to closely monitor both climate change risks and opportunities, who will report to all concerned, including the Sustainability and Risk Management Committee (SRMC) which in turn, reports to the Board.

Risk Mitigation Actions:

IVL has increased its focus on efficiency improvements, adherence to GHG reduction goals and targets as defined and disclosed in its [Sustainability Report 2015](#).

The Company has also participated in CDP's Climate Change Assessment last year and received a 'B' rating. Companies reporting to their investors through CDP benefit from:

- Identifying financial savings
- Preparedness for regulations
- Improved risk awareness and long-term resilience
- Enhanced reputation and shareholder confidence

The Company is working to participate in CDP's Supply Chain Assessment this year in addition to Climate Change which helps the Company to focus more on climate change risks and opportunities in the supply chain.

Other risk mitigation measures taken include:

- Our membership in Project Mainstream, a global initiative to accelerate innovation, recycling and developing a circular economy.
- Carbon footprint reduction through accounting of greenhouse gases and third-party verification to understand and take appropriate measures to mitigate our global carbon footprint.
- Life Cycle Assessment and Life Cycle Management of our products to embrace emission reduction measures, a lower carbon footprint, product toxicity, and producing more environmentally-friendly products and processes.
- Water risk assessment in water stressed locations for potentially new operations or projects and existing operations or projects.
- Light weighting of our products.
- Increased focus on renewable energy.
- Strategic moves to be in close proximity to our customers to avoid supply chain risks.
- Post-consumer waste recycling.
- Exploring opportunities to increased use of bio-based raw materials.

Increasing Business and International Operations naturally exposes us to various challenges such as macro-economic, geopolitical, environmental, and regulatory risks.

The Company's business operations have been increasing globally year-on-year. Rapid international expansion into new countries, territories, products, in addition to opportunities also presents new challenges and risks.

The risks could be political instability, safety and security of employees, company's tangible and intangible property due to increased terrorist attacks in new countries, anti-national or communal activities, unanticipated economic developments, rapid changes in legislation, regulations, standards, or pandemic diseases.

We may have to comply with inconsistent or unexpected changes in foreign laws, currency controls, tax regulations, changes in international tax treaties, imposition of duties on imports, anti-dumping duties, environmental and regulatory requirements, or import and export controls.

Many of these risks could be beyond our control and could have an adverse impact on our operations, financial performance, business continuity, loss of license to operate, or loss of key personnel.

Risk Mitigating Actions:

The likelihood and impact of these risks is increasing year-on-year. IVL has considered the likelihood and potential business impact of this risk and has undertaken the following mitigation actions:

- Long-term and short-term sensitivity analysis of the Company's business plan; correlation of various risks to the business.
- Stringent due diligence process to benefit from opportunities and mitigate various business risks including, but not limited to, environmental and geopolitical risk analysis of every business opportunity before a decision is taken by the management and the Board.
- Close and continuous monitoring of the political, economic and legislative conditions of each country, including threats from anti-national and terrorist activities, safety and security of employees, and assets of the Company.

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 PET resin or PTA capacity far exceeds domestic demand leading to oversupply in the industry, price reductions by competitors, new industry players, industry consolidation, ability of competitors to capitalize on their economies of scale, a shrinking merchant market and trade barriers.

We, at IVL, are mitigating such risks by greater integration and diversification of our manufacturing facilities across geographies, product innovation, product diversification, cost reductions and other operational excellence measures.

How continuous demand growth in PTA, Oxide and Glycols, PET resins, and Polyester fiber and yarn and Non-Polyester fiber and yarn industries could result in overcapacity.

Our operating results reflect the historically cyclical pattern of the PTA, MEG, PET resin, Polyester fiber and yarn and Non-Polyester fiber and yarn

industries, with periodic overcapacity and resulting pressure on pricing. This cyclical nature 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 pressure on margins.

We may not be able to protect our intellectual property rights and we could be impacted adversely should we infringe on the intellectual property rights of others.

Fibers (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 on 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 the Fibers 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 systemic failure due to computer viruses, internal or external security breaches, power interruptions, 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 inventories and the capital employed distorting the reported performance to an extent.

Volatility of crude oil prices brings the risk of markdowns or markups of inventories that we carry at any point and can adversely or positively impact our reported performance. Similarly, our reported capital employed might also be affected as working capital requirements change with movements in our product or raw materials prices which normally follow the trend in crude oil prices.

Similarly, natural gas price volatility affects the cash conversion costs in many countries where we operate. As we consume natural gas for our energy use at various locations, the volatility of natural gas prices can benefit or adversely affect our performance.

Risk Mitigating Actions:

The losses or gains due to mark-to-market of our inventories are largely mitigated by cash inflows respectively, in our net working capital as the requirement in value terms fluctuates in accordance with prices.

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. We procure PTA (limited to merchant purchases primarily in the United States) and MEG for our PET and fibers businesses, PX for our PTA business, Ethylene for our Oxide and Glycols business, other types of raw materials for our Non-Polyester fibers 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 government regulations 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 the 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 weakness in demand for, or oversupply of, our products.

However, the Company continues to acquire its main raw materials such as PX and ethylene mainly by entering into long-term purchase agreements with suppliers.

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, and pension costs.

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

In addition to the risks mentioned above, the cost of our products may increase due to various external factors such as an increase in labor costs due to inflation, changes in minimum wage regulations, unplanned or prolonged shutdowns, raw material shortages,

natural disasters, force majeure, strikes, technical failures, and regulatory rulings for environmental non-compliance.

In such events, we may not be able to fulfill our product delivery obligations and could be exposed to claims for damages and suffer reputational risk.

To mitigate this risk, the Company has undertaken various risk mitigation measures such as:

- Extensive insurance coverage including, but not limited to, loss from business interruption caused by accidents, natural disasters, damage to property, plant and machinery breakdowns, etc.
- Safeguarding assets that are more vulnerable or located in high risk areas from natural disasters through enhanced protection. For instance, an extra-high wall has been constructed around our Lopburi facility in Thailand to protect the plant and machinery and other assets from floods.
- Geographic diversification of business operations to minimize the risk of disruption from natural disasters or unexpected events.

Our production facilities are subject to operational 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 AlphaPet, Indorama Ventures Europe's PET facility and PTA facility, Indorama Polyester Industries' Map Ta Phut Polyester facility, TPT Petrochemicals, Indorama PET Nigeria, Guangdong IVL PET Polymer, Indorama Ventures Poland, Indorama Ventures 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 manufacturing facilities producing PTA, PET, Fibers, Oxide and Glycols 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 time and effort spent by management 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 synergies 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. Regulations on mergers and acquisitions 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 founder of the Indorama brand and father of both our Vice Chairman and Chairman of the Company. IVL has non-exclusive license for its use pursuant to a License Agreement with Lohia Global Holdings Limited and pays a royalty fee to Lohia Global Holdings Limited for the use of the 'Indorama' wordmark.

The business groups of other family members of Mr. M.L. Lohia use the 'Indorama' wordmark. We do not control the usage of the wordmark by other such business groups nor any adverse impact due to their actions on our reputation associated with the Indorama wordmark.

However, IVL differentiates itself and presents the Company as Indorama Ventures Group, listed and headquartered in Thailand.

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

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

Financial Risk

Significant capital investments including the 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 investments. Projects that require significant capital expenditures 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 increase 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 the 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 the expected levels of revenue, profit or productivity, or otherwise perform as we expect. Acquisitions involve special risks, including, without limitation, the 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, prospects and operational results.

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, prospects and operational results. 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 US dollars or euros, while a portion of operating costs are incurred in local currencies, including the Thai baht, pound sterling, Lithuanian litas, Mexican peso, Chinese yuan, Indonesia rupiah, Polish zloty, Nigerian naira, 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.

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. Our operating subsidiaries usually borrow in their principle currencies. Generally, 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 rate 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. Furthermore, there is a natural hedge to a large extent where foreign currency liabilities are supported by same currency assets wherever possible.

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 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. The Company does take credit insurance in specific regions to cover credit risk. Our exposure to credit risk is represented by the carrying amount of 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, for which payment 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 not pay over 80% of net profit after tax and legal reserves. However, the board of those subsidiaries will approve dividends 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 an impact by changes in market conditions. The ability of our direct and indirect subsidiaries to pay dividends to their shareholders, including the Company, is subject to

applicable laws. Although we intend to pay dividends with respect to shares, our ability to pay dividends in the future will depend on 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 laws and other factors the Board of Directors deems relevant.

The risk that the Company cannot comply with debt covenants.

As the Company has loans from financial institutions and issued debentures of THB 101.96 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, 2016, the net debt-to-equity ratio was 1.07:1. There are also other covenants 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, 2016 is favorable in regard to all covenants.

Other Risks

The below lawsuits against Indorama Petrochem PTA facility may have an adverse effect on our business

Lawsuit regarding the 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 requested that the CAC 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, 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 have a 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 a project to increase the 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 a judgment revoking the permission granted to the projects or activities which may cause serious impact to the community with regard to the quality of environment, natural resources and health and which have not completely complied with the provision of Paragraph 2 of Section 67 of the Constitution. According to the judgment, the Indorama Petrochem project was not classified as a project for which permission to operate the projects was revoked.

However, on October 1, 2010, the Claimants filed an appeal to the Supreme Administrative Court (the "SAC") requesting the SAC reverse the judgment of the CAC and not rely on the Notification of the Ministry of Natural Resources and Environment, and rule that the Respondents be required to revoke the environmental impact assessment reports and permission granted to the projects or activities which were approved or obtained from August 24, 2007 onwards until the study and assessment of the impact on the quality of the environment and health is 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 2016, the SAC has not yet issued a judgment on this case.

During the appeal proceedings, since the project of Indorama Petrochem was not within the project in which the permission was revoked by the

CAC, Indorama Petrochem could therefore operate its PTA facility. However, the Company cannot ensure that the court proceedings and the judgment to be rendered by the SAC will not have 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 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 requested the CAC 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, located in Map Ta Phut, Ban Chang and the surrounding area in Rayong Province, Thailand. The lawsuit alleges that nine projects in such areas may have a serious impact on the community with regard to the quality of the 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 project to improve the reverse osmosis (RO) system of Indorama Petrochem's 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 requested by the Claimants on the grounds that the facts claimed by the Claimants were insufficient to issue a court injunction and there

was no evidence to prove that the Claimants would be damaged by the operation of the projects. At present, the CAC has not yet issued a judgment on this case. The operation of the plant is continuing normally.

As of 31 December 2016, there is no material litigation against the Company or its subsidiaries which could have a negative effect on our assets exceeding 5% of shareholders equity.

Apart from this, there is no lawsuit which could have a significant effect on our business. However, the above litigation could have an adverse effect on the respective subsidiaries of the Company, the impact of which cannot be estimated.

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. Increased consumer concerns and changing attitudes about solid waste, 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. But PET can be recycled and IVL has made investments in PET recycling projects in Mexico, the US, 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 discharge, occupational safety and health, and the generation, handling, treatment, remediation, use, storage, release and exposure to hazardous substances and waste. These requirements are complex, subject to frequent changes 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.





Your safety is important

We are an important manufacturer of nylon 6.6 yarns with a strong market position. One in four airbags is made from IVL yarns.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors has assigned the Audit Committee ("AC") 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 AC 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 ("IAD") reports to the AC. The IAD is responsible for reviewing the adequacy and effectiveness of the Company's internal control systems for IVL and its subsidiaries. The department reports its findings and recommendations to the management and the AC. The internal control reviews are performed to ensure the existence of an effective system of internal controls which provide reasonable assurance for achievement of the Company's objectives. The Risks at all levels of the Company are managed through an effective internal control system and documented in IVL's Internal Control System Evaluation Form of Sufficiency.

The Board of Directors of the Company in Meeting No. 1/2017 held on January 24, 2017, which was attended by all members of the AC, considered the recommendations of the Committee, evaluated its opinion on the internal control systems of the Company and its subsidiaries for 2016 and found the internal control systems to be adequate. The internal control system in use at the Company generally conforms to the internal control model as advocated by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The summary of IVL's internal control systems in-line with the COSO has been detailed below.

Control Environment

IVL prepares annual and five-year business plans which are approved by the Board of Directors. These plans form the basis of arriving at employee goals and objectives at all operating units and the steps to be followed to achieve the Company's objectives. These objectives are reviewed from time to time. The Company has a well-structured organization in place that delineates the individual's responsibility for key businesses and other functions. All employees have been provided the IVL Policies Handbook which contains all of the policies that facilitate in improving 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, read, and signed off by all employees.

The Company has a Policy on Internal Information Control and Usage of Insider Information to regulate the conduct of all directors, executives and employees in keeping the

Company's information confidential and not to divulge any confidential information with the aim of benefitting themselves or other persons, directly or indirectly. The Anti-Corruption Policy has been implemented by IVL to conduct the Company's global business operations honestly, fairly, without corruption or bribery and with accountability. These policies are also published on the website of Indorama Ventures Public Company Limited.

Risk Assessment

IVL has a Sustainability and Risk Management Committee ("SRMC"). The Company's SRMC reviews the company's performance on sustainability, assesses the risks associated with aspects on sustainable development and apprises the Board of risks with potentially significant impacts to ensure the institutionalization of robust business processes, procedures and policies. In addition, there is an effective process to evaluate and advise the Board on significant risks and uncertainties that could adversely impact sustainable, and 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

IVL operating units have policies and procedures in writing with regards to general management, procurement, sales and marketing and financial activities for all its units. These, together with the financial authority manual, ensure that adequate controls and checks are exercised by 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 AC and recommended to the Board for its approval. Every quarter, a statement of all connected transactions is submitted to the AC 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. The 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 compliance with all applicable laws and regulations, and statutory filings are reported to the AC on a quarterly basis and to the Board on an as-needed basis.

Information and Communications

The Company and its management ensure that adequate and sufficient information is provided to the Board for their review and consideration. The minutes of the meeting of the 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 the AC Secretary fulfill any requirement or provide any information needed to provide assistance to the Directors as requested. IVL 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 regulatory agencies. IVL provides a communications channel to external parties who may contact the Company's independent directors by sending an email to: 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 AC. Moreover, the AC

reviews the annual audited financial statements and makes recommendations to the Board for its consideration and approval. IVL Management evaluates the capability of the corporate internal control system on an annual basis and updates it accordingly to reflect the evolving needs of the business.

The Company's in-house Internal Audit Department ("IAD") formulates the annual internal audit plan which is approved by the AC. The risk-based audit plan considers several risk factors and the results of previous internal audit reviews. The annual Internal Audit plan is also discussed with Senior Management of the Company and ultimately approved by the AC. The IAD reviews the internal control system throughout the various business processes and across all subsidiaries according to its Annual Internal Audit Plan. The Deficiencies and Recommendations are communicated to parties responsible for implementation. The audit reports and findings are presented to the AC on a half-yearly basis. From time to time, the AC also reviews a management letter from the external auditors. The AC also periodically reviews the status update on the implementation of outstanding recommendations.

Internal Audit Department is in the process of developing a Control Self-Assessment (CSA) checklist for business processes. The CSA for Procurement, CAPEX and finance have been circulated to all sites for their control self-assessment. Henceforth, Internal Audit will review CSA's as completed by the business units and report on its compliance to the Audit Committee. The CSA approach will further facilitate the "Risk Awareness Culture" among's employees working across all IVL entities.

Head of Internal Audit

The Company has its own Internal Audit Department, Internal Audit Manual and Internal Audit Charter. The AC has the authority to approve the appointment, transfer and dismissal of the Head of Internal Audit. Mr. Anil Kumar Ailani heads the Internal Audit Department of IVL.

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.



A high-angle, low-key photograph of three surgeons in an operating room. They are wearing blue scrubs, blue bouffant caps, and white surgical masks. The scene is illuminated by a large, circular surgical light at the top, creating a strong blue and white color palette. The surgeons are focused on a patient, with their hands visible at the bottom of the frame.

No compromise on your health

IVL is leading supplier of bicomponent fiber for products in the hygiene and industrial markets. We are proud to be part of our customers' success.

CONNECTED TRANSACTION

The connected transactions occur in the normal course of business and the pricing is akin to market prices or at 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 2016:

Connected Party & Relationship	Type of transaction	(Amount in MB)	
		2015	2016
PT. Indorama Synthetics Tbk., Indonesia Mr. Sri Prakash Lohia is a major shareholder of PT. Indorama Synthetics Tbk	Sale of raw materials/products/services/utilities Purchase of raw materials/products/services/utilities	1,384.04 678.20	1,419.83 1,116.53
PT. Indorama Petrochemicals, Indonesia Jointly controlled company (IVL indirectly holds 47.25% of the shares) and Mr. Sri Prakash Lohia is a major shareholder of PT. Indorama Petrochemicals	Sale of raw materials/products/rendering of services Purchase of raw materials/products/services	863.89 7,704.80	10.44 7,813.67
Indo Rama Synthetics (India) Ltd., India 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	1,137.47	0.00
Indorama Eleme Petrochemicals Ltd., Nigeria Mr. Sri Prakash Lohia is a major shareholder of Indorama Eleme Petrochemicals Ltd.	Purchase of utilities/services	29.55	41.03
Pacific Resources Ltd., Thailand Mr. Anuj Lohia, a son of Mr. Alope Lohia, is the major shareholder of Pacific Resources Ltd.	Service expense (Office Lease)	7.17	7.17
Cryoviva (Thailand) Ltd., Thailand Mr. Alope Lohia is a director of Cryoviva (Thailand) Ltd.	Service income (Office Lease)	1.13	1.13
PT. Irama Unggul, Indonesia Mr. Sri Prakash Lohia family is a major shareholder of PT. Irama Unggul	Service expense (Office Lease)	1.18	1.23
Lohia Global Holdings Limited, Hongkong 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 for Indorama trade name)	119.79	147.41
Vega Aviation Limited, British Virgin Islands Mr. Sri Prakash Lohia and Mr. Alope Lohia are the major shareholders of Vega Aviation Ltd.	Service expense (Aircraft Lease)	85.72	88.22

Connected Party & Relationship	Type of transaction	(Amount in MB)	
		2015	2016
Indorama Commerce DMCC, Dubai, UAE Mr. Sri Prakash Lohia is a major shareholder of Indorama Commerce DMCC	Service expense (Man Power)	13.85	0.00
Thai Plaspac Public Co., Ltd, Thailand Mr. Anuj Lohia son of Mr. Alope Lohia is a major shareholder. Mr. Kevin Qumar Sharma CEO is son-in-law of Mr. Alope Lohia	Sale of products	0.00	29.46
Yayasan Pendidikan Indorama, Indonesia Mr. Ami Lohia is Chairman of Advisory Board	Service Expense (Job work)	0.00	11.27

The Audit Committee Opinion on the Connected Transaction

The above connected transactions have been considered and opined by 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 the 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 disclose in Annual Report and Annual Registration Statement (Form 56-1).

Policy on the Entering into a New Connected Transaction

For any new connected transaction, 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 into and to get necessary approval 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.



Future Growth

Our portfolio extends into diverse industries, including automotives, food and beverage, consumer, industrial, healthcare and safety. One in two premium baby diapers is made from IVL materials.

DIVIDEND PAYMENT POLICY

Indorama Ventures Public Company Limited

IVL has a policy to pay a total dividend of not less than 30% of the 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 the 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 payment, capital investment for production expansion or as a support in case of changing market conditions or as required to manage the future cash flows.





Transparency matters

Our packaging business serves materials for food and beverage containers and other consumer products. Indorama Ventures produces PET film, preforms and bottle closures, while collaborating with customers to develop product innovations.



CORPORATE GOVERNANCE Report 2016

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 and which is free from any direct and indirect act of corruption.

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.

In addition the Board oversees and enforces the Company to follow the rules and regulations of Listed Companies issued by the SEC and Capital Market Supervisory Board (CMSB) and implement the recommendations as stated in the Corporate Governance Report of Thai Listed entities (CGR) issued by the Institute of Directors (IOD), ASEAN Corporate Governance Scorecard and Transparency International.

NEW VISION MISSION AND VALUES STATEMENT

The Company reviewed its, Vision Mission and Values Statement taking into account the growth of the business over the previous five years and its expansion into non polyester products. A Committee was set up to examine the previous statements and suggest any changes for the Board's approval.

In May 2016 the Board considered and approved the new VISION MISSION and VALUES Statement of the company.

In July 2016, the new Statement was simultaneously launched at every company in the group globally and uploaded to the Company's website.

IVL Corporate Governance Awareness Campaign 2016

The Corporate Governance Policy Awareness Campaign (CGPAC) that 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 14 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 2016, our policy handbook was redesigned and distributed to all plants to translate into their local language and provide to their employees. 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 2016 to the Board in February 2017. Moreover half-yearly updates are provided to the NCCG Committee and the Board. 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. 85% of all sites have fully implemented training courses that are either live seminars or online self-learning courses. To 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 sessions in all business units in Asia. The CG section also developed training on videos 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 under the Corporate Governance section.

For the continued practice of good Corporate Governance in 2016 the Company received the following assessment and awards:

1. A score of 100 percent for the 2016 Annual General Meeting of Shareholders, judged by the Thai Investors Association. This was the fifth 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 again scored 93 percent. This is the fourth consecutive year that IVL received the "5 star" rating.
3. IVL is rated at the top among Thai companies and ranked at 20 out of 100 multinational corporates from 15 emerging markets in the 2016 Transparency in Corporate Reporting-Assessing Emerging Market Multinationals.
4. The ESG100 Certificate for outstanding sustainability performance on the basis performance on the basis of Environmental, Social and Governance (ESG) from Thaipat Institute.
5. The company won a **Sustainability Report** award from SET in 2016 for the third 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 2016.
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 Charter was reviewed and minor amendments made to be in line with the current rules and regulations. The changes were approved by the Board on February 19, 2016.

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 that, 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 2016, 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 undertakes periodic checks to ensure compliance with statutory and regulatory requirements.



Nomination, Compensation and Corporate Governance Committee (NCCG)

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 re-appointed for another two years by the Board of Directors at their meeting No. 3/2016 dated May 11, 2016, expiring in May 2018. Other than Mr. Alope Lohia, all other members are Independent Directors.

The Nomination, Compensation and Corporate Governance Committee held three meetings during 2016 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 Board at its meeting No. 2/2017 held on February 17, 2017 approved the reconstitution of the NCCG Committee by changing the role of Mr. Alope Lohia from a member on the Committee to an advisor and the appointment of Mr. Chakramon Phasukavanich as the new member of the NCCG Committee. Post this change all members on the Committee are independent Directors.

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.
- 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

Sustainability and Risk Management Committee (SRMC)

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 Kekuwa, 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 Kekuwa	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 operating 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.

The Corporate Secretarial department keeps a summary of the corporate by-laws of all IVL subsidiaries and regularly monitors their compliance with those laws.

Every Quarter confirmation and updates are taken from all units on their compliances with various regulations and litigations if any. A summary of the same is presented to the Audit Committee.

The core subsidiary Companies of IVL held 336 Board meetings in 2016, which are detailed in the table below:

No.	Company	Number of Meetings
ASIA		
1	Indorama Ventures Global Services Limited	13
2	Indorama Polymers Public Company Limited	7
3	Petform (Thailand) Limited	4
4	Asia Pet (Thailand) Limited	4
5	Indorama Holdings Limited	8
6	Indorama Polyester Industries Public Company Limited	4
7	Indorama Petrochem Limited	6
8	TPT Petrochemicals Public Company Limited	4
9	ES FiberVisions (Thailand) Company Limited	4
10	Indorama Ventures Polymers (Rayong) Public Company Limited	6
11	Guangdong IVL PET Polymer Company Limited	5
12	Performance Fibers (Kaiping) Company Limited	4
13	Performance Fibers (Kaiping) No.2 Company Limited	5
14	Performance Fibers (Kaiping) No.3 Company Limited	6
15	Performance Fibers (Hongkong) Limited	1
16	PT. Indorama Ventures Indonesia	4
17	PT. Indorama Polyester Industries Indonesia	4
18	PT. Indorama Polychem Indonesia	5
19	PT. Indorama Petrochemicals	4
20	PT. Indorama Polypet Indonesia	4
21	KP Equity Partners Inc.	1
22	Indorama Ventures Packaging (Myanmar) Limited	4
23	Indorama Ventures Packaging (Philippines) Corporation	8
24	IVL Singapore Pte. Ltd.	7
25	Micro Polypet Private Limited	8
26	Indorama Ventures Packaging (India) Private Limited	5
27	IVL Dhunseri Petrochem Industries Limited	3

No.	Company	Number of Meetings
EUROPE		
28	IVL Belgium N.V.	1
29	FiberVisions (China) A/S	1
30	FiberVisions A/S	1
31	Wellman France Recyclage S.A.S	2
32	Trevira GmbH	4
33	PHP Fibers GmbH	3
34	Wellman International Limited	6
35	UAB Orion Global Pet	4
36	UAB Indorama Holdings Europe	1
37	Indorama Netherlands B.V.	20
38	Indorama Ventures Europe B.V	6
39	Indorama Polymers Rotterdam B.V.	4
40	Indorama Ventures Recycling Netherlands B.V.	2
41	Indorama Holdings Rotterdam B.V.	3
42	Beverage Plastics (Holdings) Limited	2
43	Beverage Plastics Limited	3
44	Indorama Ventures Poland Sp. z o.o.	4
45	Indorama Ventures Quimica S.L.U.	2
46	Indorama Trading AG	1
47	Indorama Ventures Adana PET Sanayi Anonim Sirketi	10
48	Indorama Ventures Corlu PET Sanayi Anonim Sirketi	8
49	Beacon Trading (UK) Limited	2
50	Indorama Trading (UK) Limited	2
51	Indorama Polymers Workington Limited	5
AMERICA		
52	Indorama Ventures Logistics LLC	2
53	Indorama Ventures (Oxide & Glycols) LLC	6
54	Performance Fibers Holdings Finance, Inc	4
55	Performance Fibers Asia Holdings, LLC	2
56	Performance Fibers Asia , LLC	2
57	Indorama Ventures AlphaPet Holdings, Inc.	3
58	AlphaPet, Inc.	6
59	Auriga Polymers Inc.	5
60	StarPet Inc.	5
61	Indorama Ventures Xylenes & PTA LLC	12
62	Indorama Ventures Performance Fibers Holdings USA LLC	3
63	FiberVisions Corporation	5
64	FiberVisions Manufacturing Company	6
65	FiberVisions Products, Inc	4
66	PHP Fibers Inc.	1
67	Safe Tweave Inc.	1
68	Indorama Ventures Olefins LLC	3
69	Indorama Ventures Northern Investments Inc.	4
70	Indorama Ventures Gestion Inc.	5
71	4200144 Canada Inc.	1
72	Indorama Ventures Polymers Mexico, S. de R.L. de C.V.	2
73	Indorama Ventures EcoMex, S. de R.L. de C.V.	2
AFRICA		
74	Indo Polymers Mauritius Limited	7
75	Indorama PET (Nigeria) Limited	4
76	Indorama Ventures Packaging (Nigeria) Ltd.	4
77	Indorama Ventures Packaging (Ghana) Limited	2

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.

Following the listing of IVL's 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 2016 for IVL and all its subsidiaries, jointly controlled entities and associates globally were as following:

Particulars	Unit: Million Baht	
	2015	2016
1. The total audit fees for IVL and all its subsidiaries, jointly-controlled entities and associates globally	124	141
a) Payment to KPMG Phoomchai Audit Ltd and other members firms of KPMG Phoomchai Audit Ltd.	116	133
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 *	53	35

* 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 2016

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 "Cumulative Voting" for the election of Company directors.

Rights of Shareholders and Equitable Treatment of Shareholders

It is the Company's top most priority 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; They have the right to appoint a proxy to participate and vote at the such 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.1/2016 held on April 26, 2016.

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, 2016. 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 2017.

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 (2015) and the three reviewed quarterly financial statements of 2016 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, 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. Like previous years, the Company organized two visits by the Shareholders' to its plants. The first trip was organized on June 28, 2016 to visit the factories at Lopburi and the second trip was organized on September 27, 2016 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 26, 2016 and the Notice was issued out on March 25, 2016.

All information sent to the shareholders was posted on the Company's website both in English and Thai on March 11, 2016 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 11, 2016.

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 appoint either 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.

The Company deployed simultaneous translation into Thai language at the Shareholders' Meeting No. 1/2016 held on April 26, 2016.

b) Re-appointment of retiring Directors

In 2016, 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 include the following information, in order to facilitate the voting by the shareholders. 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.





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

The re-appointment of retiring Directors was approved by the Shareholders based on 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.

c) Approving Directors Remuneration

Independent and Non-Executive Directors

The Board reviewed and recommended to the shareholders the remuneration of the Independent and Non-Executive Directors for 2016 and the annual bonus for all IVL Directors payable for 2015 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:

- 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 2016. No retainer fee is paid to the Executive Directors on the Board of IVL.

Details of remuneration in 2016 paid to the Independent Directors and Non-Executive Directors and the bonus for 2015 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 2016 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

To facilitate the shareholder voting, the Notice of the meeting detailed the name of the audit firm, the auditors' names, the independence of the proposed auditors, the number of years they acted as the Company's auditor, the total audit and non-audit fees paid in 2014 and 2015 and separately Company audit fee proposed in 2016, together with the opinion of the Board based on the recommendation of the Audit Committee.

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 for 2015 performance at Baht 0.48 per share amounting to Baht 2,310.86 Million. Out of the said final dividend, an interim dividend of Baht 0.24 per share amounting to Baht 1,155.43 Million was paid by the Company on September 04, 2015 and the Company paid the remaining dividend of Baht 0.24 per share or amounting to Baht 1,155.43 on 23 May 2016.

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 2015, the AGM was held on April 26, 2016. The meeting started with 2,211 shareholders in person or proxy and representing 79.34% of the total shares sold. At the close of the meeting there were 2,482 shareholders in person or proxy and representing 81.54%. The meeting started at 2.00 pm and ended at 4.35 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. The legal counsel from The Capital Law Office, the Company's legal counsel was nominated to inspect the voting and voting counting procedure. 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 that 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, Chairman 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 period 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 2016, 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 conducted anti-corruption training at Head Office and all Thai sites, in Thai and English languages for the benefit of all employees.

Anti-corruption educational materials and policies have been uploaded on the company's intranet and disseminated to overseas units to ensure that our policies are well communicated, and the same standard practice made available worldwide.

Over 9,000 employees have been covered by our training courses both undertaken by our CG Section and or site HR teams. Educational materials were distributed to participants during training

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.

The Chief Risk Officer of the Company 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 2016 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.

IVL arranged a seminar to communicate our Supplier Code of Conduct to our key suppliers and subcontractors to promote mutual understanding on the purpose of the code.

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 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, 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 whatsoever. This information has been delivered to all business units. During 2016, 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. 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 in order to ensure alignment with Best Practice. The following were revised and approved by the Board at their meeting in August 11, 2016.

- Charter of the Audit Committee
- Anti-Corruption 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 2016, 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 and SET releases, annual report, corporate policies, corporate structure, details of subsidiaries, 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 implements all recommendations made by the SEC, SET and IOD.

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, 2016 to December 31, 2016 was as follows:

Report of Changes in Securities Holding of the Company's Directors and Executives as at 31st December 2016

No.	Name	Ordinary Shares (Shares)				
		As at 31 Dec 2015	Changes in 2016	As at 31 Dec 2016		
		No. of Shares		No. of Shares	No. of Shares	%
1	Mr. Sri Prakash Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
2	Mr. Aloke Lohia	10	Acquisition/Disposition	-	10	0.000
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
3	Mrs. Suchitra Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	10	Acquisition/Disposition	-	10	0.000
4	Mr. Amit Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
5	Mr. Dilip Kumar Agarwal	100,000	Acquisition/Disposition	(100,000)	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
6	Mr. Udey Paul Singh Gill	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
7	Mr. Sanjay Ahuja	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
8	Mr. Rathain Srimongkol	262,000	Acquisition/Disposition	-	262,000	0.005
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
9	Mr. Maris Samaram	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
10	Mr. William Ellwood Heinecke	4,044,932	Acquisition/Disposition	300,000	4,344,932	0.090
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
11	Dr. Siri Ganjarerndee	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
12	Mr. Kanit Si	200,000	Acquisition/Disposition	-	200,000	0.004
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
13	Mr. Chakramon Phasukavanich	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	102,000	Acquisition/Disposition	-	102,000	0.002
14	Mr. Russell Leighton Kekuewa	959,000	Acquisition/Disposition	230,000, (700,000)	489,000	0.010
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
15	Mr. Manoj Kumar Sharma	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
16	Mr. Souvik Roy Chowdhury	-	Acquisition/Disposition	17,000	17,000	0.000
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-

Report of Changes in Securities Holding of the Company's Directors and Executives as at 31st December 2016

No.	Name	Warrants - IVL - W1 (Units)				
		As at 31 Dec 2015	Changes in 2016	As at 31 Dec 2016		
		No. of Units		No. of Units	No. of Units	%
1	Mr. Sri Prakash Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
2	Mr. Alope Lohia	1	Acquisition/Disposition	-	1	0.000
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
3	Mrs. Suchitra Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	1	Acquisition/Disposition	-	1	0.000
4	Mr. Amit Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
5	Mr. Dilip Kumar Agarwal	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
6	Mr. Udey Paul Singh Gill	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
7	Mr. Sanjay Ahuja	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
8	Mr. Rathain Srimongkol	18,200	Acquisition/Disposition	-	18,200	0.004
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
9	Mr. Maris Samaram	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
10	Mr. William Ellwood Heinecke	172,904	Acquisition/Disposition	(172,904)	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
11	Dr. Siri Ganjarende	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
12	Mr. Kanit Si	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
13	Mr. Chakramon Phasukavanich	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
14	Mr. Russell Leighton Kekuwa	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
15	Mr. Manoj Kumar Sharma	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
16	Mr. Souvik Roy Chowdhury	-	Acquisition/Disposition	(70,000)	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-

Report of Changes in Securities Holding of the Company's Directors and Executives as at 31 st December 2016

No.	Name	Warrants - IVL - W2 (Units)					
		As at 31 Dec 2015		Changes in 2016		As at 31 Dec 2016	
		No. of Units		No. of Units	No. of Units	%	
1	Mr. Sri Prakash Lohia	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
2	Mr. Aloke Lohia	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
3	Mrs. Suchitra Lohia	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
4	Mr. Amit Lohia	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
5	Mr. Dilip Kumar Agarwal	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
6	Mr. Udey Paul Singh Gill	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
7	Mr. Sanjay Ahuja	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
8	Mr. Rathain Srimongkol	14,000	Acquisition/Disposition	-	14,000	0.004	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
9	Mr. Maris Samaram	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
10	Mr. William Ellwood Heinecke	217,033	Acquisition/Disposition	(217,033)	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
11	Dr. Siri Ganjarerndee	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
12	Mr. Kanit Si	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
13	Mr. Chakramon Phasukavanich	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
14	Mr. Russell Leighton Kekuewa	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
15	Mr. Manoj Kumar Sharma	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	
16	Mr. Souvik Roy Chowdhury	-	Acquisition/Disposition	-	-	-	
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-	



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 Secretarial department 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. A new VISION MISSION and VALUES statement of the Company was approved in May 2016.

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.

Board approvals

For each Agenda item at Board meetings, detailed discussions take place and approvals are given unanimously.

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 which is reviewed by the Audit Committee and forwarded to the Board.

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 2016 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 (ThaIOD) 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 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 2016.

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 2016. The results were summarized and discussed at the Board meeting held in February 2017. The Board and subcommittee members were evaluated as having given very good performance rating in 2016.

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 five meetings during 2016. 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.

Under the Chairmanship of Mr. Rathian Srimongkol, all the independent Directors met on February 12, 2016 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 03 March 2017.

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 2016

Name	Attendance*/Total Meetings
1. Mr. Sri Prakash Lohia	4/5
2. Mr. Alope Lohia	4/5
3. Mrs. Suchitra Lohia	4/5
4. Mr. Amit Lohia	5/5
5. Mr. Dilip Kumar Agarwal	4/5
6. Mr. Udey Paul Singh Gill	5/5
7. Mr. Rathian Srimongkol	5/5
8. Mr. William Ellwood Heinecke	2/5
9. Mr. Maris Samaram	5/5
10. Dr. Siri Ganjarerndee	5/5
11. Mr. Kanit Si	4/5
12. Mr. Russell Leighton Kekuewa	5/5
13. Mr. Chakramon Phasukavanich	5/5
14. Mr. Sanjay Ahuja	5/5

*The average attendance of 13 out of the total 14 Directors for the year 2016 was 80% and above.

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 recommended 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 2016, the total annual remuneration approved at the Annual General Meeting of Shareholders No. 1/2016 held on April 26 2016 was an amount of not exceeding Baht 17,400,000.

The actual remuneration paid in 2016 is Baht 17,219,990 against the approved amount of Baht 17,400,000. 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	600,000
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. Russell Leighton Kekuewa	50,000 per month	600,000
Total			5,700,000

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
Total			2,100,000

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
Total			1,020,000

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
Total			900,000

Bonus to Directors for the performance of 2015

No.	Directors	Actual Paid (Baht)
1	Mr. Sri Prakash Lohia	669,640
2	Mr. Alope Lohia	803,570
3	Mrs. Suchitra Lohia	535,710
4	Mr. Amit Lohia	401,790
5	Mr. Sashi Prakash Khaitan*	267,860
6	Mr. Dilip Kumar Agarwal	535,710
7	Mr. Udey Paul Singh Gill	401,790
8	Mr. Rathian Srimongkol	803,570
9	Mr. Maris Samaram	535,710
10	Mr. William Ellwood Heinecke	669,640
11	Dr. Siri Ganjarerndee	401,790
12	Mr. Kanit Si	535,710
13	Mr. Russell Leighton Kekuwa	535,710
14	Mr. Apisak Tantivorawong**	401,790
Total		7,499,990

* Mr. Sashi Prakash Khaitan resigned from the Board effective November 13, 2015.

** Mr. Apisak Tantivorawong resigned from the Board effective August 17, 2015.

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.

The Remuneration paid to the IVL Management team in 2016 was approx Baht 91,930,448, out of which the Remuneration paid to the CEO of PET and Feedstock business and the CEO of Fibers business was as follows.

No.	Name / Positions	Actual Paid (Baht)
1	Mr. Dilip Kumar Agarwal, CEO of PET and Feedstock business	24,110,646
2	Mr. Udey Paul Singh Gill, CEO of Fibers business	20,113,821

The remuneration above includes salary, bonus and perquisites in accordance with the Company's rules and regulations. The Board/NCCG Committee sets the long and short term KPI for the Group CEO, CEO of PET and Feedstock business, and CEO of Fibers business.

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 2016 was held from January 25-27, 2016 in Bangkok.

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.

Continual knowledge expansion

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.

In November 2016, the CG Section arranged for a talk on Corporate Governance Code and Interpretation for International Corporates by Mr. Rapee Sucharitakul, Secretary-General of SEC Thailand to the IVL Board and senior management. This was part of the Company's commitment to continuous development of good corporate governance principles.

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.



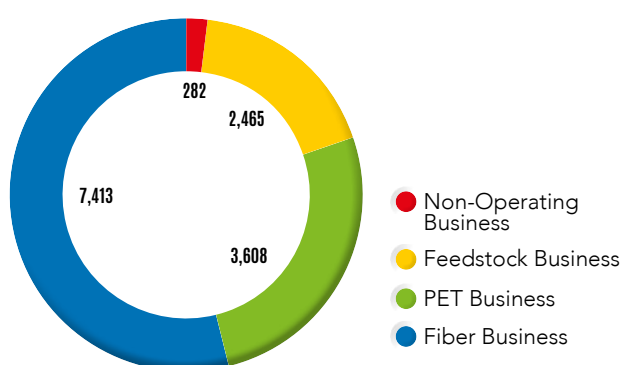
PEOPLE

IVL recognises people as the primary source of its competitiveness and continues to focus on people development by leveraging technology and developing a continuously learning human resource base. Our Purpose is something that IVL employees can engage with and help to make it a reality every day. Bringing that Purpose to life and making IVL's vision a reality requires us to help our employees to do the best they can, to realise their potential and the potential of the business. We strive to create a working environment that respects the human rights, interests of employees and embeds diversity of a multicultural world. We are determined that everything we do has openness, diversity and inclusion its heart. Our deep bench of talented leaders serves as a reminder how IVL is always looking to the future.

Global Workforce

IVL employees are located across four continents - Asia, Europe, North America and Africa. Key highlights of our Global workforce as on 31st Dec 2016 are as follows:

Permanent employees across businesses

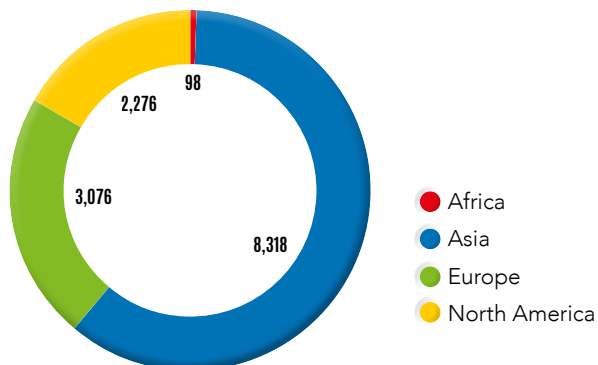


Our Approach

While meeting the current business challenge has been the focus, there is a clear mandate to make a continued effort to prepare and equip IVL for a healthy future as a leading global chemical company. Further, IVL is also evolving and expanding its reach strategically, geographically and culturally. Both the new geographies and the shifting environments of the businesses demand the need to prepare our current and future leaders to face and overcome such business adversities and opportunities. Attracting, developing and retaining the very best people are critical for getting aligned to our vision. The fundamental priorities of our approach to developing our people are:

- Build depth of capability and leadership pipeline
- Live our values and build a performance culture, and
- Build an agile, flexible and diverse organization

Permanent employees across continents



Attraction and Retention of Talent

The Campus Connect program with selected top colleges has resulted in inducting best-fit students as paid interns. Based on their performance during the internship they are given pre-placement job offers. This is a win-win game where students gain the first hand insight of business and leadership of IVL and we get best talent. Our employees also play the role of brand ambassador in attracting right talent. Job sites and referrals continue to be a key channel for attracting and engaging external talent. While we are focused on attracting the right talent, internally we monitor retention regularly. The overall retention rate in 2016 was 93.25%, which is increased by 1.75% points compared to 2015.

Learning and Development

As IVL operates in a highly competitive market our skills need to be aligned with our strategy so that our business grows and simultaneously our people grow professionally. To achieve this we sharpened our learning strategy in 2016. Global leadership development is now a priority, which has two-prong strategy for development of Business Acumen and Leadership Traits. We launched "IVLDP", a global leadership development program where more than 120 global executives received the entrepreneurial insights on Management Discussion & Analysis and feedback on their Leadership Traits through multi-source feedback. The Individual Development Plan (IDP) was the next step for the individual to act and grow. This initiative helped the organization in identifying the leaders at different stages of their potential. Now the process has been embed with business operations where about 400 executives under global talent pool (GTP) will be benefited.

IVL believes in 70:20:10 ratio of learning, where 70% is on-the-job learning, 20% through mentoring/coaching and 10% through classroom/e-learning. The following statistics on global training across all IVL locations speaks the volume about the intensity and participation of our employees.

Focus Area	Batcher	Training Hours	Total Participants
Behavior	368	167,845	12,577
EHS	886	87,600	28,338
Functional	1569	174,608	20,025
Managerial	613	29,207	12,420
Quality System	275	69,329	9,238
Technical	577	39,178	7,189
Total	4,288	567,766	89,787

Succession Planning

We ensure successful leadership transitions, developing the next generation of leaders and continuing to grow emerging and diverse talent. Data driven talent reviews help in expanding the strength of our bench and facilitate leaders to make thoughtful choices about putting the right people to work in the right areas. During the year, mentoring received greater focus in the organization.

Human Rights

Business flourishes in societies where human rights are respected, upheld and advanced. To make this a reality, in 2016, IVL formalised its commitment to the UN Guiding Principles on Human Rights. We did our first global survey on Human Rights and worked on the action plans to mitigate the perceived risks. We also engaged our suppliers for their commitment to address human rights issues. We have taken the initiative of getting SA8000 certification by all our production units, which will ensure third party audit based certification.

Diversity & Inclusion

"Diversity is our Strength" is one of our core values. We have very diverse set of employees with multi-culture, multi-lingual, multi-nationals, three generations workforce, etc. We believe in a diverse workforce to serve our diverse customer base across the global geographies. To reinforce our belief that inclusion is the foundation of a sustainable and strong culture, we rolled out "Diversity Policy" in 2016. On gender equality we continue to make progress. By the end of 2016, we had 22% of females in our total workforce, which is up by 1.2% in 2015. We have 63 nationalities now compared to 57 in 2015 in IVL family.

Rewards and Benefits

The compensation system is designed to take care of country specific requirements in terms of compensation and benefits.

We have devised both business and individual performance incentive programs that links to compensation at the individual level. We measure our compensation packages against industry standards and seek to match or exceed them.

Employee Engagement

IVL strives to create and maintain a healthy employee relation in which two-way dialogue between management and employees take place either directly or through employee representative bodies (wherever applicable). Management briefs employees on IVL's operational and financial results through various channels, including team meetings, face-to-face gatherings, a personal email from the Group CEO and in-house publications. The IVL Employee Engagement Survey (EES) is one of the principal tools used to measure employee involvement. The employee participation level in the EES was 93.66% in 2016 compared to 90% in 2015. The average Employee Engagement Score in the scale of 1-5, was 3.70 in 2016, which is 1.65% more than 2015.

Health and Safety

We promote and manage a healthy and safe working environment for all our employees. We offer everything from healthy-living pledges included in employee-benefit plans to risk-based safety assessments and follow-up. We track and assess recordable and lost-time incident rates against industry and benchmarked world-class averages. 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

Since IVL began operations, the Company has never had any material labor disputes.



We are Responsible

We have developed eleven R&D centers and produced about 250 new product patents. Our outstanding projects over the past two years are eco-friendly. Our recycled yarn under the brand Ecorama® is made of post-consumer resins – from used PET bottles. The product is suitable for sportswear and workwear, home fabrics, and textiles for the automotive, industrial, military and medical sectors.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY at Indorama Ventures



Our responsibility to the environment

- Continue **reducing our environmental footprint** by improving the environmental performance of our production processes including targets for energy, water use, greenhouse gas (GHG) and waste reduction.
- 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.
- Improve the sustainability of our operations with focus on **operational eco-efficiency**, minimize negative impacts and optimize environmental and economic benefits.
- Progressively obtain and maintain **environmental management** based on ISO 14001 certification and energy management standards based on ISO 50001.
- Integrating the environmental aspects of the product at the **product development** stage.
- Evaluate and mitigate environmental impacts of our products in its value chain associated with GHG emissions, product toxicity through our **Life Cycle Assessment (LCA)** program.
- Promote a **circular economy** and a more efficient use of resources through greater reuse and recycling.
- Encourage **environmental awareness** and environmental protection among employees and external stakeholders through campaigns, publicity, education and CSR programs.

Our Vision and Commitments

Indorama Ventures has set itself a very clear ambition “to be a world-class chemical company making great products for society.” Our vision is rooted in our shared responsibility to build and operate a company that contributes to the well-being of every member of society. We recognize that with a greater global presence comes even greater responsibility to operate in an environmentally and socially responsible way.

Our Principles of Responsibility

Indorama Ventures fully recognizes that the sustainable development of our business requires a responsible approach to social and business issues, as well as environmental concerns. This includes:



Details of our environmental initiatives, performance and metrics are provided in the 2016 Sustainability Report.

Our responsibility to our customers, business partners and suppliers

- Consistently deliver **safe and high-quality products and services** that comply with relevant laws and regulations.
- Uphold the **highest standards of integrity** and conduct our **business** in an honest, fair, ethical and transparent manner as set out in our Code of Conduct, and Policy on the Treatment of Customers and Business Partners and Competitor Policy.
- **Respect individual rights, privacy, confidentiality**, and make every effort not to impinge upon the intellectual property rights of those with whom we do business.
- Ensure the provision of our services pursuant to the expectations of our customers by applying **international quality management standards**, e.g. ISO 9001.
- Continually improve levels of **customer satisfaction** by maintaining open communication channels for customer feedback.
- Deliver ongoing **value creation and deliver the best value** to our customers by integrating social and environmental aspects in our corporate strategy and decision-making.
- **Compete vigorously and fairly** by following antitrust and competition laws in every country in which we operate.
- Operate with **honesty and integrity** in all our activities and not accept any bribery and corruption in our business dealings anywhere in the world.
- Stimulate improvements throughout the **value chain** and drive the industry in pursuing high standards and best practices through our Supplier Code of Conduct and supplier self evaluation

Our responsibility to our employees

- Provide **fair and equal opportunities** for all according to an employee's skills in terms of employment, hiring, development opportunities and compensation, without discrimination.
- Build a unique, and naturally different corporate culture that **respects diversity** and fosters cooperation and synergies between the different business segments.
- Ensure the best possible respect of **human rights** in every context including labor practices.
- Ensure a **proper and safe working environment** through Occupational Health and Safety Management Systems based

on OHSAS 18001 or equivalent international standards. We seek to create an incident and injury-free workplace for all employees and contractors.

- Support a climate of **openness, honesty and trust** through a Whistleblower Policy, which offers employees the opportunity to raise any concerns regarding unethical behavior or misconduct.
- **Reward our employees fairly and attractively**, in-line with prevailing conditions in the local market, industry standards and individual performance.
- Promote knowledge and skills through the **personal and professional development of employees**.

Our responsibility to local communities and society

- Contribute to long-term and sustainable economic growth and development of the communities where we live and operate by providing employment, investing in infrastructure and supporting local initiatives.
- Foster innovation to address social and global challenges.
- Enhance the safety and quality of life in communities through corporate and employee contributions and volunteer initiatives.
- Support education for youth and promote **employment opportunities** for people within the communities where we operate.
- Promote **community environmental awareness**.
- Maintain **strong relationships** with local stakeholders and community organizations.

These principles are formalized through policies approved by the Board of Directors, which can be found at: www.indoramaventures.com/corporategovernance

From Principles to Practices

Sustainability is driven at all levels of the Company, from the Board's endorsement at the committee level (including the Sustainability Steering Committee) to operational reviews and target setting. Our Sustainability and Risk Management Governing Structure can be found at http://www.indoramaventures.com/EN/CSRresponsibility/CSR_Sustainability_Risk_Management.php

To further drive sustainability, the Board appointed the **Sustainability and Risk Management Committee (SRMC)** as the second-highest authority in the Company pertaining to sustainability. The SRMC is comprised of six members of the Board, including three Independent Directors who possess in-depth knowledge and vast expertise in sustainability and risk management.

The **Sustainability Steering Committee (SSC)** is a sub-committee of the SRMC with a cross-section of senior IVL corporate and business unit executives with relevant and functional expertise. The SSC is responsible for advancing the objectives of sustainability and implementing sustainability practices across all IVL entities under the guidance of the SRMC and GCEO.

The **Code of Conduct** is a top-level ethical and legal framework which each employee is required to follow. It is supplemented by more detailed policies, approved by the Board, to ensure that all business activities are conducted in compliance with applicable laws and regulations of the countries in which we operate, while maintaining sustainable development.

The Company has its own **Internal Audit** Department to carry out internal audit activities of the Company and its subsidiaries to ensure compliance with statutory and

regulatory requirements. The Internal Audit Department reports functionally to the Audit Committee.

We are aware of the complexity of legal regulations, thus, **managing** risk is essential. The Board has assigned the SRMC the responsibility of reviewing the Company's overall risk exposure and apprising the Board of risks with a potentially significant impact and to also ensure that robust processes, procedures and policies are in place.

We publish our sustainability report annually as part of our commitment to transparency and strengthening our engagement with stakeholders regarding our sustainability practices. We use the **Global Reporting Initiatives (GRI)** G4 guideline as a framework for reporting our sustainability activities. Content and data disclosed in our sustainability report is **independently verified** by external assurance. Indicators were selected for assurance based on the issues and concerns that are most significant to the sustainability performance of the business, as well as key risks identified by the whole group.

IVL encourages **independent external evaluation** of our sustainability performance through participation in initiatives such as the Dow Jones Sustainability Index, CDP and FTSE4Good. IVL sustainability ratings are available on our website at www.indoramaventures.com under the Sustainability section.



IVL has been recognized in RobecoSAM's Sustainability Yearbook 2017, receiving RobecoSAM's Bronze Class 2017 recognition in the Chemicals Industry sector.



IVL has participated in CDP Climate Change Assessment for the first time in 2016 and has achieved 'B' Rating.



IVL has been independently assessed according to the FTSE Russell criteria and become a constituent of the FTSE4Good ASEAN 5 Index and FTSE4Good Emerging Index.



IVL is rated at the top among Thai companies and ranked at 20 out of 100 multinational corporates from 15 emerging markets in the 2016 Transparency in Corporate Reporting-Assessing Emerging Market Multinationals

Key Focus Areas

The focus areas and the strategic measures we adopt in terms of sustainability are based on a materiality analysis. In accordance with the GRI G4 Guidelines, we are constantly evaluating issues that have an impact on the sustainable development of the Company from both internal and external stakeholder views.

In 2016, the materiality analysis process was extended to more external stakeholders, such as customers, suppliers, bankers, investors and the media. The feedback was incorporated in



defining the key materiality issues and focus areas for our sustainability management and reporting.

Further details on the materiality assessment process, key material issues and performance on all material issues are provided in the 2016 Sustainability Report.



Stakeholder Engagement

Stakeholder identification was carried out 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 conceptualized stakeholders' expectations, interests, benefits and concerns. We then prioritized and determined how to engage the different stakeholders.

Our stakeholder engagement programs help us 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,

the media and local communities where we operate. We listen and respond to these groups in various forms. Each stakeholder group has a functional representative who is accountable for managing the relationship with the particular stakeholder group. Sales and marketing, investor relations, purchasing, human resources, and corporate affairs are some functions where stakeholders are engaged on a regular basis to understand and address a variety of concerns.

More details on key stakeholder groups and the engagement mechanism for each group are provided in the 2016 Sustainability Report.

Corporate Citizenship and Philanthropic Activities

Aware of our role in local communities and society, we established the strategic social responsibility themes that focus on truly co-creating value for the business and society. Our global approach to CSR consists of three key themes in line with the Sustainability Development Goals (SDGs):



Environment (SDG 4: Good Education)

Raising awareness and educating about waste separation and PET plastic recycling in communities to reduce negative environmental impacts and create economic return for the company.



Education (SDG 8: Decent Work and Economic Growth)

Expanding access to quality education, training and skills enhancement to produce quality workforce to society and to the future of IVL.



Health (SDG 3: Good Health and Wellbeing)

Improving local standards of living and providing treatment and promoting well-being in the communities we work and live in.

More details on CSR performance and activities under each theme are provided in the 2016 Sustainability Report.

A close-up photograph of a person's hand holding a silver ballpoint pen, poised to write on a white sheet of paper. The hand is in sharp focus, while the background, showing a blue plaid shirt, is blurred. A semi-transparent white rectangular box is overlaid on the lower half of the image, containing the word 'REPORT' in a bold, dark blue, sans-serif font. A thin vertical blue line is positioned to the left of the text.

REPORT

AUDIT COMMITTEE

Report to the Shareholders for the year 2016

The Audit Committee is comprised only of independent Non- Executive Directors with a minimum requirement of three such members.

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 2016, the Committee held 6 meetings, with the attendance of the Audit Committee Members as under:

Sr. No.	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

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 in alignment with the regulations of the Stock Exchange of Thailand (SET).

During the year 2016 the Committee held 6 meetings with Management, Internal Audit and External Auditors.

Significant activities of the 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) The committee held meeting with external auditor's in the absence of management to review external auditor's scope of work, audit approach and any issues they might be facing.
- 3) 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;

- 4) The Committee reviewed and approved the Annual Internal Audit Plan for the year 2016 including medium term audit plan. The audit findings were reviewed by the committee and recommendations were given to follow up the corrective actions for some of the items which facilitate adequate internal controls. The Committee also reviewed half yearly presentation of Internal Audit which include progress of IA coverage according to the plan, significant findings and follow up status of audit recommendations. The Committee also escalated some of the significant IA issues to the Board for their information.

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.

- 5) The Committee assessed the adequacy of internal control systems with the Company's management, external and internal auditors and reviewed significant findings on internal controls of all the major subsidiaries of the Company, recommended corrective actions. The

Committee works together with the Internal Auditor and Management to streamline the internal control systems and procedures as a continuous process.

- 6) The Audit Committee reviewed the Evaluation Form of Sufficiency of Internal Controls Systems for the year 2016 and based on its review, the Committee in agreement with Management and Internal Audit 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;
- 7) 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 no significant non-compliances were noted. The Committee escalated some of the significant compliance issues to the Board for their information.

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.

- 8) The Committee evaluated the performance of KPMG Phoomchai Audit Limited, the external auditors of the Company, for the year 2015 and being satisfied, recommended to the Board for their re-appointment for the year 2016 along with the proposed audit fee.
- 9) 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. The Audit Committee also reviewed the connected party statement on quarterly basis detailing all the connected party transaction of the Company and its subsidiaries.

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.

- 10) 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.
- 11) The Audit Committee reviewed quarterly ERM presentation from Chief Sustainability and Risk Officer (CSRO) which covered several corporate and global risks related to climate change risk, human rights risk, reputational risk, and product stewardship. The committee took note of these risks and risk mitigation plans and also provided recommendations for further improvement in risk management process.

In summary, the Audit Committee performed its duties as specified in the Board-approved charter with competence, prudence, and independence in equitable interests of stakeholders. In the opinion of the committee, IVL's financial reports were accurately prepared in all material aspects under generally accepted accounting principles. IVL has adequate risk management practices, appropriate internal control and internal audit systems, compliance with good corporate governance, legislation, requirements, and obligations relevant to its businesses.

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 2016

Indorama Ventures believes strongly in the importance of Sustainability and Risk Management functions in the Company which enables the Company systematic sustained future growth, helps to anticipate and manage current and future economic, environmental and social risks and opportunities arising from the company's business activities.

The Board is committed to increasing shareholder value by operating in a manner that understands the calculated risks that

are taken in order to optimize opportunities, and protect against risks and uncertainties that could threaten the achievement of its strategic objectives.

The Group's Sustainability and Risk Management Committee (the 'Committee'), established by the Board operates as per the Charter published on our website, www.indoramaventures.com.

The Committee consists of three independent directors and three executive directors of the Company.

Name of the Member of the Committee		Position
1. Mr. Aloke Lohia	<ul style="list-style-type: none"> Chairman of the Committee Group Chief Executive Officer Vice-Chairman of the Board Executive Director of the Board Member of the Nomination, Compensation and Corporate Governance Committee 	
2. Mr. Rathian Srimongkol	<ul style="list-style-type: none"> Member of the Committee Independent Director of the Board Vice-Chairman of the Board Chairman of the Audit Committee 	
3. Mr. Maris Samaram	<ul style="list-style-type: none"> Member of the Committee Independent Director of the Board Member of the Audit Committee 	
4. Mr. Russell Leighton Kekuewa	<ul style="list-style-type: none"> Member of the Committee Independent Director of the Board 	
5. Mr. Dilip Kumar Agarwal	<ul style="list-style-type: none"> Member of the Committee Executive Director of the Board CEO of PET and Feedstock Business Segments 	
6. Mr. Udey Paul Singh Gill	<ul style="list-style-type: none"> Member of the Committee Executive Director of the Board CEO of the Fibers Business Segment 	

The Committee, accountable to the Board for its performance, is responsible for the Group's sustainability responsibilities and providing risk management oversight, including monitoring the effectiveness of the risk management framework. The Committee reviews drivers of the Group's sustainability, key opportunities and risks, assesses risk mitigation plans and reports to the Board.

The Committee is supported by the Chief Sustainability and Risk Officer, Sustainability Steering Committee, functional heads and plant heads.

During the year 2016, the Committee performed its duties and responsibilities as mandated by the Board of Directors and the Committee Charter. Two meetings of the Committee were convened during the year, one on 19 January 2016 and the other on 9 August 2016; all the Members of the Committee attended both meetings.

The Committee's key actions for the year 2016 included:

1. Deploying, driving continuously IVL sustainability framework, performance and engagement across the organisation by integrating corporate sustainability into day-to-day business operations of the Company.
2. Defining, guiding, advising and endorsing sustainable strategies, policies, risk mitigation plans, corporate goals for continual sustainability efficiency and the risk management processes improvement including the learnings from external globally recognized assessments such as Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment, CDP Assessment, Stock Exchange of Thailand, Bloomberg and other ESG assessments.
3. Monitoring significant risks throughout the year by the Committee and the Risk Management Sub-Committees at the business and plant level, specifically the following:
 - 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 environmental innovation;
- Events having impact on cyclicity and integrity of the business.

All IVL entities have 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. Reviewing company's current and future business plans, strategies, its sensitivity analysis twice during the year and presenting to the Board on annual basis for its consideration.
6. Performing self-assessment of its overall performance for the year 2016.

The Committee is committed to implementing sustainability with continued 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. Aloke Lohia
Chairman



REPORT OF THE Nomination Compensation and Corporate Governance Committee (NCCG) for the Year 2016

The NCCG Committee is chaired by Mr. William Ellwood Heinecke, Independent Director. Other members of the Committee are Dr. Siri Ganjarandee, Independent Director, Mr. Kanit Si, Independent Director and Mr. Aloke Lohia, Group CEO and Vice Chairmen of the Board.

The NCCG Committee was appointed in May 2016 for a two - year term.

During the year 2016, NCCG Committee held three meetings and performed the task in accordance with the scope of its responsibilities as assigned by the Board of Directors, as per the NCCG Charter and those required by the applicable regulations.

Duties performed by NCCG Committee during the year were as follows:

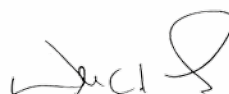
1. **Vision, Mission & Values:** Under the direction of the NCCG Committee, vision, mission & values of the IVL were revisited. The project was completed and the Board of IVL approved the redefined vision, mission and values. NCCG Committee guided and ensured common understanding and communication to all the stakeholders of IVL. Following actions were taken under guidance of the Committee:

- a. Launched of the redefined vision, mission and values on July 6, 2016 across all locations globally at the same time.
- b. Training of employees in batches across the organization
- c. Intimation to key customers & suppliers
- d. Posted on the website for the public

2. **Corporate Governance:** NCCG Committee had asked CGPA Committee (Corporate Governance Policy Awareness Committee) on the updates. CGPA Committee made presentations in two NCCG Committee meetings during the year and gave following updates:

- a. All new subsidiaries acquired in 2016 were informed about IVL policies and CGPAC.
 - b. CGPAC made three videos in English & Thai with sub titles in Chinese for use in Corporate Governance training.
 - c. Training session on Corporate Governance was specially organized for the Directors of the Company where the Secretary General of the SEC explained the pragmatic approach to Corporate Governance.
 - d. Under the Whistleblower policy, the NCCG Committee reviewed the cases, which were brought to the notice of the Ethics committee during 2016. The action taken on these cases were shared with the NCCG Committee.
 - e. The Committee reviewed Anti-Corruption policy and the changes were made to make it more inclusive and have a wider coverage. It added that a 'Facilitation Payment' is a form of bribery. The Committee also approved to have specific limitation on values for gifts and hospitality at 3,000 baht (US\$86).
3. **Human Rights:** The NCCG Committee brought the focus on Human Rights based on the recommendation from DJSI. Under its guidance, a survey on Human Rights was conducted for the first time in IVL.
- a. NCCG Committee reviewed the findings of the Human Rights survey, which was done globally across IVL. The Committee did not find anything significantly wrong.
 - b. The NCCG Committee asked to have SA8000 certification by all the plant to ensure that no violation of Human Rights. It was reported that some plants received certification under SA8000 for Human Rights.
 - c. The Committee also reviewed the Human Rights policy and added 'Discrimination and Harassment' section. It also provided further explanation of the IVL policy towards labor association and collective bargaining.

4. **Employee Engagement:** Based on suggestion of NCCG Committee employee engagement survey was done across IVL, which covered more than 90% of employees out of 12,555. NCCG Committee suggested establishing a linkage of employee engagement with DJSI recommendations. The survey findings and the action points were reviewed by the Committee and it was suggested to focus on following:
- Employee development:
 - Initiatives at a broader level to cover a larger group of employees
 - First time manager development for middle level employees
 - Focused intervention at top four levels of the organization
 - Performance management:
 - To enhance the employee coverage from existing 92% to 100%
 - To have redefined process with frequent reviews
5. **Sustainability:** NCCG Committee reviewed the Sustainability initiatives of the Company. In the Corporate Sustainability Score of DJSI, IVL score was 85, which was a significant improvement compared to previous years. The Committee reviewed all the criteria and the score and gave directions to work for better scores in next year's DJSI assessment.
6. **Directors' retirement:** NCCG Committee after considering the experience & contribution of the concerned Directors, deemed it appropriate to re-appoint them for another term and recommended them to the Board to re-appoint them as no nomination were received from the shareholders to appoint new Director. In the Annual General Meeting of shareholders held on April 26, 2016, the shareholders approved re-appointment of all the nominated Directors.
7. **Reappointment of the Sustainability Committee:** The NCCG Committee reviewed and made the changes in the Sustainability Committee where Mr. Robinder Singh, Sr. Vice President, Corporate Affairs was made Chief Sustainability Officer. Rest of the members remained the same.
8. **Self-Evaluation of the Board:** The Committee reviewed the summarized results of the self-evaluation of the Board and Sub-Committee performance for the year and the same was presented to the Board for their consideration. The NCCG Committee also did individual assessment of all the Directors with the Chairmen of the Board.
9. **Executives' performance review:** The GCEO and three Executive Directors' performance was reviewed by NCCG Committee. The committee was happy to note that their recommendations on Corporate Governance, Sustainability, etc. were acted upon. It was also acknowledged that the NCCG Committee was aware of the GCEO' succession plan.
10. **Succession plan:** The NCCG Committee asked for an objective succession planning process. It was ensured that it would be in place soon as an objective process has been designed and the same will be rolled out in 2017 for all key positions including Executive Directors.
11. **Remuneration:** Remuneration for the Directors and subcommittees comprising of 'Audit Committee', 'NCCG Committee' and 'Sustainability & Risk Management Committee' for the year 2016 was considered based on the set criteria and the same was submitted to the Board for its consideration. While considering compensation, the NCCG Committee considered responsibilities, performance and made a comparison with industry peers.
12. **Awards:** The NCCG Committee is happy to inform that IVL received following awards & accolades in 2016:
- Corporate Governance:
 - Corporate Governance Report 2015-2016 Excellent
 - ESG 100 Thaipat Institute 2016
 - Platinum Award on Excellence in Governance, CSR and Investor Relations benchmarking 2015
 - Highest rating in Thailand for corporate transparency in 2016 by Transparency International. IVL was positioned in top 20 multinational companies for 'Transparency in Corporate Reporting'
 - Sustainability:
 - RobecoSAM Bronze Class and a member in the Sustainability Yearbook 2017 (Chemicals Industry)
 - A constituent of the FTSE4 Good Emerging Index and the FTSE4 Good ASEAN 5 Index (Chemicals Super Sector)
 - MSCI ESG Rating B
 - CDP Score: B (Climate Change)
 - Thailand Sustainability Investment 2016 and Sustainability Report Awards 2016
 - EcoVadis - 2016 Gold Recognition Level
- The NCCG Committee believes that the members of the Committee performed their duties diligently with full integrity. The Committee recommended the Board adequately and ensured that to adhere to the principles of good governance in the interest of all its stakeholders.



William Ellwood Heinecke
Chairman, NCCG Committee



REPORT OF THE Board of Directors' Responsibilities for the Financial Statements

The Board of Directors of Indorama Ventures Public Company Limited places great importance 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 the financial data shown in the Annual Report. The financial statements for the accounting year ended December 31, 2016 were 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 accuracy of the financial statements. The Board of Directors has assigned the Audit Committee to review the quality of the financial reports, the internal control system as well as the appropriate disclosure of connected transactions.

The Board of Directors expresses its satisfaction on 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, 2016.



Mr. Sri Prakash Lohia
Chairman



Mr. Alope Lohia
Group CEO



Independent Auditor's Report

To the Shareholders of Indorama Ventures Public Company Limited

Opinion

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 2016, 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.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2016 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Acquisitions of businesses	
Refer to Note 4	
The key audit matter	How the matter was addressed in the audit
<p>In 2016, the Group completed the acquisitions of businesses and a 50% equity interest in a joint venture resulting in the recording of gains on bargain purchases of Baht 6,698.6 million in the consolidated statement of income for the year ended 31 December 2016 and goodwill of Baht 898.6 million as part of the investment in joint venture in the consolidated statement of financial position as at 31 December 2016, respectively.</p> <p>The acquisition method of accounting for business combinations is a complex and judgmental exercise, requiring the Group to determine the fair value of assets acquired and liabilities assumed and consideration transferred with any resulting differences recognised as goodwill or a gain on bargain purchase.</p> <p>Due to the materiality of the transactions and the significant judgment and complexities involved in determining the fair value of assets acquired and liabilities assumed, I considered accounting for business combination as the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Read the sale and purchase agreement and analysis memorandum of business combination prepared by the Group to understand key terms and conditions; • Evaluated the assessment by the Group of the identification of all the assets acquired and liabilities assumed and consideration transferred; • Evaluated the assumptions and methodologies underpinning the valuations; • Involved KPMG valuation specialist to evaluate the financial parameters applied to the discount rate, identification of the intangible assets, valuation methodology and mathematical accuracy.

Impairment assessment of goodwill	
Refer to Note 15	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2016, the Group had goodwill of Baht 9,654.8 million.</p> <p>The cash-generating units (“CGU”) to which the goodwill belongs are tested for impairment annually. The Group applies the value-in-use (discounted cash flow (“DCF”)) method to determine the recoverable amount of each CGU. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses.</p> <p>Due to the materiality of the balances and the judgment and complexities involved in determining the future cash flows attributable to the individual CGU, I considered the measurement of the recoverable amount as the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Evaluated the DCF provided by the Group and the Group’s assumptions applied in the value-in-use method against relevant documents as well as externally derived data. • Analyzed historical information to support the precision in the Group’s forecasting process. • Tested the principles and mathematical accuracy of the DCF and performed sensitivity analysis around the key assumptions.

Impairment assessment of cash-generating unit	
Refer to Note 14	
The key audit matter	How the matter was addressed in the audit
<p>In 2016, Indorama Ventures Adana PET Sanayi Anonim Sirketi (“IVAP”), an indirect subsidiary, suspended its operation and mothballed the plant. The Group has estimated the fair value less cost of disposal based on the residual value of the cash-generating unit (“CGU”) which comprised plant, machinery and equipment and intangible assets related to IVAP’s operations to determine the recoverable amount of the CGU.</p> <p>Based on the result of this assessment, the Group recorded impairment loss on plant, machinery and equipment of Baht 407.2 million and on intangible assets of Baht 106.6 million, totaling Baht 513.8 million in the consolidated statement of income for the year ended 31 December 2016.</p> <p>Due to the materiality of the balances and the judgment and complexities involved in determining the future cash flows attributable to the CGU, I considered the measurement of the recoverable amount as the key audit matter.</p>	<p>My audit procedure included the following:</p> <ul style="list-style-type: none"> • Understood the recoverable amount prepared by the Group and evaluated the reasonableness of the recoverable amount against relevant documents as well as externally derived data.

Emphasis of Matter

As disclosed in note 4 to the consolidated financial statements, the Group completed the acquisition of 50% equity interest in Dhunseri Petglobal Limited resulting in the recording of goodwill of Baht 898.6 million as part of investment in joint venture in the consolidated statement of financial position as of 31 December 2016. The fair value of identifiable net assets and the allocation of purchase price have been provisionally determined and are subject to potential amendment. My opinion is not modified in respect of this matter.

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Orawan Chunhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
17 February 2017

Indorama Ventures Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2016	2015	2016	2015
(in thousand Baht)					
Current assets					
Cash and cash equivalents	6	4,025,648	3,232,476	1,068,060	7,424
Current investments	7	114,695	451,805	-	-
Trade accounts receivable	5, 8	31,085,499	27,499,572	-	-
Short-term loans to related parties	5	434,186	265,561	16,125,482	11,788,515
Inventories	9	40,458,854	31,785,633	-	-
Other current assets	5, 10	8,376,367	7,313,154	223,318	59,735
Total current assets		84,495,249	70,548,201	17,416,860	11,855,674
Non-current assets					
Investments in subsidiaries and other equity security	11	-	-	57,798,256	46,846,899
Investments in joint ventures	12	5,529,831	1,962,392	-	-
Other long-term investments	7	89,963	119,605	70,000	70,000
Long-term loans to related parties	5	127,040	165,441	30,585,235	40,409,081
Property, plant and equipment	14	136,860,347	120,365,582	-	-
Goodwill	15	9,654,840	9,788,557	-	-
Other intangible assets	16	17,602,243	13,581,188	-	-
Deferred tax assests	17	2,233,466	2,686,770	-	10,332
Other non-current assets	5	1,787,500	2,422,879	616,760	423,365
Total non-current assets		173,885,230	151,092,414	89,070,251	87,759,677
Total assets		258,380,479	221,640,615	106,487,111	99,615,351

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

Indorama Ventures Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2016	2015	2016	2015
(in thousand Baht)					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	18	9,205,553	12,115,009	-	1,244,000
Trade accounts payable	5, 19	37,316,103	31,148,966	-	-
Short-term loans from related party	5, 18	19,247	-	-	-
Current portion of long-term loans from financial institutions	18	4,403,644	2,118,153	263,075	184,641
Current portion of debentures	18	5,499,308	2,898,005	5,499,308	2,898,005
Current portion of finance lease liabilities	18	7,623	8,440	-	-
Income tax payable		1,189,903	1,162,679	-	-
Other current liabilities	5, 20	8,220,130	7,931,899	573,159	344,064
Total current liabilities		65,861,511	57,383,151	6,335,542	4,670,710
Non-current liabilities					
Long-term loans from financial institutions	18	51,167,944	34,140,288	11,953,140	7,728,858
Debentures	18	31,789,798	32,310,010	26,860,823	27,358,481
Finance lease liabilities	18	12,432	16,351	-	-
Deferred tax liabilities	17	14,796,013	11,223,050	68,165	-
Employee benefit obligations	21	2,027,811	1,795,506	-	-
Other non-current liabilities	14	910,038	1,819,297	31,427	294,864
Total non-current liabilities		100,704,036	81,304,502	38,913,555	35,382,203
Total liabilities		166,565,547	138,687,653	45,249,097	40,052,913

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		31 December	
Liabilities and equity	Note	2016	2015	2016	2015
(in thousand Baht)					
Equity					
Share capital:					
Authorised share capital	22	5,666,010	5,666,010	5,666,010	5,666,010
Issued and paid-up share capital	22	4,814,272	4,814,272	4,814,272	4,814,272
Additional paid in capital:					
Share premium	22	29,775,147	29,775,147	29,775,147	29,775,147
Unrealised surpluses (deficits)					
Hedging reserve	23	(52,368)	(61,763)	281,271	40,028
Currency translation differences	23	1,491,162	4,658,692	-	-
Excess of cost over book value					
of acquired subsidiaries	23	(3,290,829)	(3,290,829)	-	-
Differences arising from common					
control transactions	23	(1,235,562)	(1,235,562)	-	-
Retained earnings					
Appropriated					
Legal reserve	23	2,327,121	1,989,919	566,601	566,601
Unappropriated		40,352,360	28,301,295	10,926,651	9,492,318
Equity attributable to shareholders of the Company		74,181,303	64,951,171	46,363,942	44,688,366
Subordinated perpetual debentures	24	14,874,072	14,874,072	14,874,072	14,874,072
Equity attributable to equity holders of the Company		89,055,375	79,825,243	61,238,014	59,562,438
Non-controlling interests	13	2,759,557	3,127,719	-	-
Total equity		91,814,932	82,952,962	61,238,014	59,562,438
Total liabilities and equity		258,380,479	221,640,615	106,487,111	99,615,351

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	2016	2015	2016	2015
		(in thousand Baht)			
Income					
Revenue from sale of goods	5	254,619,539	234,697,949	-	-
Interest income	5	124,361	166,689	2,791,620	2,726,247
Dividend income	5, 11	-	-	3,962,231	3,128,853
Net foreign exchange gain		543,117	48,496	-	246,125
Gain on bargain purchases	4	6,698,607	3,625,688	-	-
Other income	4(v), 5, 14, 26	1,459,462	1,594,755	488,997	388,081
Total income		263,445,086	240,133,577	7,242,848	6,489,306
Expenses					
Cost of sale of goods	5, 27	218,197,747	208,177,200	-	-
Selling expenses	5, 28	14,637,914	12,443,474	-	-
Administrative expenses	5, 29	7,041,124	6,736,503	60,869	329,029
Management benefit expenses	30	143,666	112,895	17,320	17,881
Impairment losses	14, 16	607,905	-	-	-
Net foreign exchange loss		-	-	127,942	-
Finance costs	32	4,222,321	3,652,131	1,931,614	1,744,299
Total expenses		244,850,677	231,122,203	2,137,745	2,091,209
Share of losses of investments in joint ventures, net	12	(173,076)	(242,165)	-	-
Profit before income tax expense		18,421,333	8,769,209	5,105,103	4,398,097
Income tax expense	33	2,062,154	1,880,815	18,186	44,354
Profit for the year		16,359,179	6,888,394	5,086,917	4,353,743
Profit attributable to:					
Owners of the Company		16,197,103	6,609,264	5,086,917	4,353,743
Non-controlling interests	13	162,076	279,130	-	-
Profit for the year		16,359,179	6,888,394	5,086,917	4,353,743
Earnings per share					
Basic and diluted earnings per share (in Baht)	35	3.15	1.15	0.84	0.69

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	2016	2015	2016	2015
(in thousand Baht)					
Profit for the year		16,359,179	6,888,394	5,086,917	4,353,743
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit asset (liability)	21	(230,899)	134,747	-	-
Income tax on other comprehensive income		56,450	(37,701)	-	-
		(174,449)	97,046	-	-
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(3,537,220)	3,798,347	-	-
Net gain (loss) on hedge of net investment in foreign operations		301,553	(143,546)	301,553	(143,546)
Effective portion of changes in fair value of cash flow hedges		15,130	(34,722)	-	-
Income tax on other comprehensive income		(66,093)	38,996	(60,310)	28,709
		(3,286,630)	3,659,075	241,243	(114,837)
Other comprehensive income for the year, net of income tax		(3,461,079)	3,756,121	241,243	(114,837)
Total comprehensive income for the year		12,898,100	10,644,515	5,328,160	4,238,906
Total comprehensive income attributable to:					
Owners of the Company		12,882,716	10,382,014	5,328,160	4,238,906
Non-controlling interests	13	15,384	262,501	-	-
Total comprehensive income for the year		12,898,100	10,644,515	5,328,160	4,238,906

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

Indorama Ventures Public Company Limited and its Subsidiaries

Statement of changes in equity

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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	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	Non-controlling interests	Total equity	
Note														
									(in thousand Baht)					
	Year ended 31 December 2016													
	Balance at 1 January 2016	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
	Transactions with owners, recorded directly in equity													
	Distributions to owners of the Company													
36	Dividends	-	-	-	(2,599,707)	-	-	-	-	(2,599,707)	-	(2,599,707)	(383,546)	(2,983,253)
	Total distributions to owners of the Company	-	-	-	(2,599,707)	-	-	-	-	(2,599,707)	-	(2,599,707)	(383,546)	(2,983,253)
	Total transactions with owners, recorded directly in equity	-	-	-	(2,599,707)	-	-	-	-	(2,599,707)	-	(2,599,707)	(383,546)	(2,983,253)
	Comprehensive income for the year													
	Profit	-	-	-	16,197,103	-	-	-	-	16,197,103	-	16,197,103	162,076	16,359,179
	Other comprehensive income	-	-	-	(156,252)	(3,167,530)	9,395	-	-	(3,314,387)	-	(3,314,387)	(146,692)	(3,461,079)
	Total comprehensive income for the year	-	-	-	16,040,851	(3,167,530)	9,395	-	-	12,882,716	-	12,882,716	15,384	12,898,100
24	Coupon payment on subordinated perpetual debentures	-	-	-	(1,052,877)	-	-	-	-	(1,052,877)	-	(1,052,877)	-	(1,052,877)
	Transfer to legal reserve	-	-	337,202	(337,202)	-	-	-	-	-	-	-	-	-
	Balance at 31 December 2016	4,814,272	29,775,147	2,327,121	40,352,360	1,491,162	(52,368)	(3,290,829)	(1,235,562)	74,181,303	14,874,072	89,055,375	2,759,557	91,814,932

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								
		Retained earnings			Equity			
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Hedging reserve	attributable to shareholders of the Company	Subordinated perpetual debentures
	Note							Total equity
(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	58,443,131
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Issue of ordinary shares due to warrants exercised	22	15	520	-	-	-	535	-
Dividends	36	-	-	-	(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		-	-	-	(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	59,562,438

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						
		Retained earnings			Equity			Total equity
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated reserve	Hedging reserve	attributable to shareholders of the Company	
Note								
<i>(in thousand Baht)</i>								
	Year ended 31 December 2016							
	Balance at 1 January 2016	4,814,272	29,775,147	566,601	9,492,318	40,028	44,688,366	59,562,438
	Transactions with owners, recorded directly in equity							
	<i>Distributions to owners of the Company</i>							
36	Dividends	-	-	-	(2,599,707)	-	(2,599,707)	(2,599,707)
	<i>Total distributions to owners of the Company</i>							
	Total transactions with owners, recorded directly in equity	-	-	-	(2,599,707)	-	(2,599,707)	(2,599,707)
	Comprehensive income for the year							
	Profit	-	-	-	5,086,917	-	5,086,917	5,086,917
	Other comprehensive income	-	-	-	-	241,243	241,243	241,243
	Total comprehensive income for the year	-	-	-	5,086,917	241,243	5,328,160	5,328,160
	Coupon payment on subordinated perpetual debentures							
24		-	-	-	(1,052,877)	-	(1,052,877)	(1,052,877)
	Balance at 31 December 2016	4,814,272	29,775,147	566,601	10,926,651	281,271	46,363,942	61,238,014

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	2016	2015	2016	2015
		(in thousand Baht)			
Cash flows from operating activities					
Profit for the year		16,359,179	6,888,394	5,086,917	4,353,743
<i>Adjustments for</i>					
Depreciation	31	9,626,582	8,324,497	-	-
Amortisation of intangible assets and other assets	31	1,438,848	1,001,196	-	-
Interest income		(124,361)	(166,689)	(2,791,620)	(2,726,247)
Dividend income	11	-	-	(3,962,231)	(3,128,853)
Gains on bargain purchases	4	(6,698,607)	(3,625,688)	-	-
Gain on partial disposal of interest in subsidiary with a change in control	4(v)	(30,189)	-	-	-
Share of losses of investments in joint ventures, net of income tax	12	173,076	242,165	-	-
Finance costs	32	4,222,321	3,652,131	1,931,614	1,744,299
Unrealised foreign exchange (gain) loss		(311,889)	129,879	(18,272)	(119,065)
Provision for bad and doubtful debts expense, net	8	30,391	19,896	-	-
(Reversal of allowance) provision for write-down value of inventory to net realisable value		(67,112)	40,132	-	-
Provision for impairment on property, plant and equipment	14	501,344	8,929	-	-
Provision for impairment on intangible assets	16	106,561	-	-	-
(Reversal of) provision loss on unrecoverable advance payment for project	29	(432,901)	609,701	-	211,637
Employee benefits expense	21	294,798	317,474	-	-
Reversal of decommissioning liabilities	14	(221,232)	-	-	-
Loss on disposal of property, plant and equipment, net		9,343	111,318	-	-
Income tax expense	33	2,062,154	1,880,815	18,186	44,354
		26,938,306	19,434,150	264,594	379,868
Changes in operating assets and liabilities					
Trade accounts receivable		(236,121)	4,515,770	-	-
Inventories		(2,632,992)	1,168,229	-	-
Other current assets		(547,378)	(92,562)	(12,574)	(77,444)
Other non-current assets		(17,935)	(124,906)	(1,555)	-
Trade accounts payable		3,613,745	(1,046,844)	-	-
Other current liabilities		(217,596)	932,719	(13,175)	36,071
Other non-current liabilities		(504,118)	770,861	-	-
Employee benefits obligation		(186,901)	(117,540)	-	-
Cash generated from operating activities		26,209,010	25,439,877	237,290	338,495
Income taxes paid		(1,262,835)	(633,770)	-	-
Net cash from operating activities		24,946,175	24,806,107	237,290	338,495

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

Indorama Ventures Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2016	2015	2016	2015
(in thousand Baht)					
Cash flows from investing activities					
Interest received		134,369	193,010	2,850,729	2,872,603
Dividend received	11	-	-	3,962,231	3,128,853
Purchase of property, plant and equipment		(13,411,373)	(10,281,778)	-	-
Proceeds from sale of property, plant and equipment		87,121	79,147	-	-
Proceeds from sale of other investments, net		361,812	4,868,095	-	5,000,000
Purchase of intangible assets		(107,816)	(55,823)	-	-
Proceeds from sale of intangible assets		-	783	-	-
Net cash outflow on acquisitions of businesses	4	(22,238,959)	(15,267,379)	-	-
Net cash outflow on additional investments in subsidiaries and a joint ventures	11, 12	(2,198,856)	(175,912)	(10,951,357)	(4,705,826)
Advance payment on additional investment in subsidiary and a joint venture		(687,387)	(412,497)	-	(1,918)
Net cash inflow on partial disposal of interest in a subsidiary with a change in control	4(v)	552,368	-	-	-
Reimbursement (advance payment) for project	29	1,126,533	(247,163)	-	-
Net cash from (used in) investing activities		(36,382,188)	(21,299,517)	(4,138,397)	6,293,712
Cash flows from financing activities					
Interest paid		(4,340,944)	(3,646,630)	(1,870,877)	(1,699,214)
Deferred financing cost paid		(224,554)	(90,537)	(52,665)	(55,917)
Dividends paid to owners of the Company	36	(2,599,459)	(2,069,886)	(2,599,459)	(2,069,886)
Dividends paid to non-controlling interests		(383,546)	(58,104)	-	-
Proceeds from short and long-term borrowings		27,322,663	8,803,640	5,973,650	7,366,570
Repayment of short and long-term borrowings		(8,477,117)	(14,998,775)	(2,954,450)	(5,798,093)
Repayment of debenture		(2,900,000)	-	(2,900,000)	-
Repayment of finance leases		(8,606)	(7,902)	-	-
Proceeds from issue of ordinary shares due to warrants exercised	22	-	535	-	535
Proceeds from issue of debenture, net of debenture issuance costs of Baht 8,443,479 in 2016 (2015: Baht 44,178,674)	18	4,991,557	7,686,048	4,991,557	2,745,490
Coupon payment on subordinated perpetual debentures		(1,052,877)	(1,050,000)	(1,052,877)	(1,050,000)
Loans to subsidiaries		-	-	5,426,864	(8,951,317)
Loans from a joint venture		19,247	-	-	-
Loans to joint ventures		(123,684)	(175,869)	-	-
Net cash from (used in) financing activities		12,222,680	(5,607,480)	4,961,743	(9,511,832)
Net increase (decrease) in cash and cash equivalents		786,667	(2,100,890)	1,060,636	(2,879,625)
Cash and cash equivalents at 1 January		3,232,476	5,339,083	7,424	2,887,049
Effect of exchange rate changes on balances held in foreign currencies		6,505	(5,717)	-	-
Cash and cash equivalents at 31 December	6	4,025,648	3,232,476	1,068,060	7,424

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

Indorama Ventures Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

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Indorama Ventures Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

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 17 February 2017.

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, 37th 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”), paraxylene (“PX”), isophthalic acid (“IPA”), ethylene oxide and ethylene glycol (“EO&EG”), polyester fibers, and wool products. Details of the Company’s subsidiaries and joint ventures as at 31 December 2016 and 2015 are given in notes 5, 11 and 12.

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 2016. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s/Company’s accounting policies. These changes have no material effect on the financial statements.

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 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s/Company’s operations are disclosed in note 40.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Derivative financial instruments	Fair value
Net defined benefit liability	Present value of the defined benefit obligation, as explained in note 3 (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 accounting policies and the 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.

Assumptions and estimation uncertainties

Information about assumption and 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	Acquisitions and disposal of businesses: fair value measured on a provisional basis;
Note 14, 15 and 16	Impairment test: key assumptions underlying recoverable amounts;
Note 17	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and
Note 21	Measurement of defined benefit obligations: key actuarial assumptions

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 the 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 recognises 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 37 - Financial instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The 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.

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 the Guideline 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 the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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 the 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 the 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 currency translation differences 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 currency translation differences 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 a 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 currency translation differences 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 3 (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 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 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.

(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 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 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	3-50	years
Machinery and equipment	1-30	years
Office furniture, fixtures and equipment	2-25	years
Transportation equipment	3-20	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 3(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	4-30	years
Customer contracts and relationships	3-20.3	years
Trade name and trademarks	9-21.5	years, Indefinite
Chemicals exchange contract	19	years
Capitalised 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/Company'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.

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 periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic 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. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

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

(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 a 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 Company's right to receive payments is established.

(r) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(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 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 own shares held, for the effects of all dilutive potential ordinary shares, which comprise 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 headquarters), head office and international headquarters expenses, and tax assets and liabilities, etc.

4 Acquisitions and disposal 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 years ended 31 December 2016 and 2015 is considered by management as gains on bargain purchases. The gains on bargain purchases and goodwill recognised in the consolidated statement of income for the years ended 31 December 2016 and 2015 and the consolidated statement of financial position as at 31 December 2016 and 2015 respectively, are as following:

Gain on bargain purchases

	Note	2016	2015
		(in thousand Baht)	
Polyplex Resins San. ve Tic. A.S., Turkey	4(i)	-	201,737
Bangkok Polyesters Public Company Limited, Thailand	4(iii)	-	907,578
CEPSA Chimie Montréal s.e.c, Canada	4(iv)	-	2,458,906
Micro Polypet Private Limited, India	4(v)	-	57,467
Chemical complex of BP Amoco Chemical Company, USA	4(vi)	3,289,819	-
Guadarranque Polyester S.L.U., Spain	4(vii)	3,408,788	-
Total gains on bargain purchases		6,698,607	3,625,688

Goodwill

	Note	2016	2015
		(in thousand Baht)	
Performance Fibers Holdings Finance, Inc., USA	4(ii)	-	918,402
		-	918,402

(i) 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 the acquisition, Polyplex Resins San. ve Tic. A.S. was renamed to Indorama Ventures Corlu PET Sanayi Anonim Sirketi on 29 April 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

	Note	Carrying amounts	Fair value adjustments	Recognised values
		(in thousand Baht)		
Cash and cash equivalents		30,712	-	30,712
Inventories		383,961	-	383,961
Accounts receivable		60,037	-	60,037
Property, plant and equipment	14	2,249,642	185,351	2,434,993
Intangible assets	16	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	17	-	(40,945)	(40,945)
Other assets/(liabilities), net		(25,590)	-	(25,590)
Net identifiable assets acquired and liabilities assumed		267,492	144,406	411,898
Gain on bargain purchase				(201,737)
Total consideration				210,161

(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.

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 plants of Performance Fibers Holdings Finance, Inc. are located close to IVL's existing PET polymers facility in China.

Identifiable assets acquired and liabilities assumed

	<i>Note</i>	Carrying amounts	Fair value adjustments	Recognised values
<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	14	3,545,461	990,364	4,535,825
Intangible assets	16	26,684	1,643,128	1,669,812
Accounts payable		(1,102,661)	-	(1,102,661)
Short-term loan from financial institution		(1,146,415)	-	(1,146,415)
Long-term loan from financial institution		(205,749)	-	(205,749)
Deferred tax	17	55,762	(641,841)	(586,079)
Other assets/(liabilities), net		(129,169)	-	(129,169)
Net identifiable assets acquired and liabilities assumed		3,340,656	1,991,651	5,332,307
Goodwill				918,402
Total consideration				6,250,709
Cash acquired				(379,867)
Net consideration - paid				5,870,842

(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 the acquisition, Bangkok Polyesters Public Company Limited was renamed to Indorama Ventures Polymers (Rayong) Public Company Limited on 4 June 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>	Carrying amounts	Fair value adjustments <i>(in thousand Baht)</i>	Recognised values
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	14	895,175	763,800	1,658,975
Intangible assets	16	218	259,424	259,642
Accounts payable		(375,676)	-	(375,676)
Deferred tax	17	(65,261)	(204,645)	(269,906)
Other assets/(liabilities), net		7,516	-	7,516
Net identifiable assets acquired and liabilities assumed		1,468,620	818,579	2,287,199
Controlling interests (%)				98.97
Fair value of identifiable assets acquired and liabilities assumed				2,263,752
Gain on bargain purchase				(907,578)
Total consideration				1,356,174
Cash acquired				(98,877)
Net consideration - paid				1,257,297

(iv) CEPSA 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 CEPSA 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 the acquisition, CEPSA Chimie Montréal Inc., Quebec Inc. and CEPSA Chimie Montréal s.e.c were renamed to Indorama Ventures Gestion Inc., Indorama Ventures Northern Investments Inc. and Indorama Ventures PTA Montréal LP, respectively.

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>	Carrying amounts	Fair value adjustments	Recognised values
<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	14	7,250,625	(3,627,108)	3,623,517
Intangible assets	16	812,113	(249,618)	562,495
Accounts payable		(2,105,967)	-	(2,105,967)
Deferred tax	17	533,648	1,042,839	1,576,487
Other assets/(liabilities), net		666,082	-	666,082
Net identifiable assets acquired and liabilities assumed		13,285,467	(2,833,887)	10,451,580
Gain on bargain purchase				(2,458,906)
Total consideration				7,992,674
Cash acquired				(23,672)
Net consideration - paid				7,969,002

(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.

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

	Note	Carrying amounts	Fair value adjustments	Recognised values
<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	14	2,698,329	173,122	2,871,451
Intangible assets	16	-	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	17	133,090	(60,789)	72,301
Other assets/(liabilities), net		150,046	-	150,046
Net identifiable assets acquired and liabilities assumed		82,963	148,269	231,232
Gain on bargain purchase				(57,467)
Total consideration				173,765
Cash acquired				(5,640)
Net consideration - paid				168,125

On 12 September 2016, Indorama Ventures Global Services Limited sold a 50% equity interest in Micro Polypet Private Limited to Dhunseri Petrochem Limited, for a consideration of INR 1,072.6 million (Baht 581.0 million) and recognised a gain on disposal of Baht 30.2 million as other income in the consolidated statement of income for the year ended 31 December 2016. Subsequent to disposal date, the Group has changed accounting treatment for its investment in equity interest of Micro Polypet Private Limited from investment in subsidiary to investment in joint venture due to a change in control.

(vi) Chemical complex of BP Amoco Chemical Company, USA

On 31 March 2016, IVL, through its indirect subsidiary, Indorama Ventures Xylenes & PTA LLC (Formerly Indorama Ventures North America LLC), organised and existing under the law of the state of Delaware, USA, completed the acquisition of the chemical complex of BP Amoco Chemical Company at Decatur in Alabama, USA, as per the purchase and sale agreement dated 6 January 2016 for a preliminary cash consideration of USD 432.8 million (Baht 15,251.6 million). During the third quarter of 2016, the purchase price was settled with the seller to be USD 418.6 million (Baht 14,752.4 million). The transaction is accounted for as a business combination. During the period from acquisition date to 31 December 2016, the business contributed revenue of USD 247.8 million (Baht 8,669.2 million) and net profit of USD 17.8 million (Baht 626.3 million) to the Group's results. If the acquisition had occurred on 1 January 2016, management estimates that consolidated revenue would have increased by Baht 2,944.3 million and consolidated profit for the year would have increased by Baht 211.6 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2016.

Management believes that the acquisition will enable the IVL's North America business to move towards full vertical integration and provide improved economies to expand its PET capacities and also to access the high margin NDC business as the only producer worldwide.

Identifiable assets acquired and liabilities assumed

	<i>Note</i>	Carrying amounts	Fair value adjustments <i>(in thousand Baht)</i>	Recognised values
Inventories		4,302,237	-	4,302,237
Property, plant and equipment	14	10,517,562	3,147,239	13,664,801
Intangible assets	16	-	2,653,313	2,653,313
Deferred tax	17	-	(2,273,814)	(2,273,814)
Other assets/(liabilities), net		(304,308)	-	(304,308)
Net identifiable assets acquired and liabilities assumed		14,515,491	3,526,738	18,042,229
Gain on bargain purchase				(3,289,819)
Total consideration - paid				14,752,410

(vii) Guadarranque Polyester S.L.U., Spain

On 7 April 2016, IVL, through its indirect subsidiary, Indorama Netherlands B.V., completed the acquisition of 100% equity interest in Guadarranque Polyester S.L.U. which has purified isophthalic acid (“IPA”), PET and PTA manufacturing facilities in Spain from Cepsa Química SA, Spain, as per the share purchase agreement dated 11 November 2015 for a preliminary cash consideration of EUR 191.7 million (Baht 7,695.7 million). During the fourth quarter of 2016, the final purchase price was settled with the seller to be EUR 195.2 million (Baht 7,837.4 million). The transaction is accounted for as a business combination. Subsequent to the completion of the acquisition, Guadarranque Polyester S.L.U. was renamed to Indorama Ventures Química S.L.U. During the period from acquisition date to 31 December 2016, the business contributed revenue of EUR 316.6 million (Baht 12,318.5 million) and net profit of EUR 20.5 million (Baht 797.9 million) to the Group’s results. If the acquisition had occurred on 1 January 2016, management estimates that consolidated revenue would have increased by Baht 3,745.4 million and consolidated profit for the year would have increased by Baht 10.6 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2016.

Management believes that acquisition of Spain facility which includes IPA the essential component to produce PET along with PET and PTA capacities will allow the site to be fully integrated where a third party refinery is connected by pipeline to supply raw materials. The acquisition of plant in Southeast Europe will complete IVL reach across Europe and lead to consolidation in Europe.

Identifiable assets acquired and liabilities assumed

	<i>Note</i>	Carrying amounts	Fair value adjustments	Recognised values
		<i>(in thousand Baht)</i>		
Cash and cash equivalents		350,826	-	350,826
Inventories		2,263,817	-	2,263,817
Accounts receivable		3,889,733	-	3,889,733
Property, plant and equipment	14	4,136,351	1,355,756	5,492,107
Intangible assets	16	105,468	3,207,561	3,313,029
Short-term loan from financial institutions		(82,329)	-	(82,329)
Accounts payable		(2,236,414)	-	(2,236,414)
Long-term loan from financial institutions		(186,078)	-	(186,078)
Deferred tax	17	-	(1,140,829)	(1,140,829)
Other assets/(liabilities), net		(417,699)	-	(417,699)
Net identifiable assets acquired and liabilities assumed		7,823,675	3,422,488	11,246,163
Gain on bargain purchase				(3,408,788)
Total consideration				7,837,375
Cash acquired				(350,826)
Net consideration - paid				7,486,549

(viii) Dhunseri Petglobal Limited, India

On 12 September 2016, IVL, through its subsidiary, Indorama Ventures Global Services Limited, completed the acquisition of 50% equity interest in Dhunseri Petglobal Limited which has PET manufacturing facility in India from previous shareholders, Dhunseri Petrochem Limited, as per the joint venture agreement dated 29 February 2016 for a preliminary cash consideration of INR 4,191.9 million (Baht 2,198.9 million). The transaction is accounted for as investment in joint venture. Subsequent to completion of the acquisition, Dhunseri Petglobal Limited was renamed to IVL Dhunseri Petrochem Industries Limited (“DPGL”).

Management believes that the joint venture partnership is expected to gain synergy benefits as the sole producer of PET resin in North and East India.

Identifiable assets acquired and liabilities assumed

	Carrying amounts	Fair value adjustments	Recognised values
	<i>(in thousand Baht)</i>		
Cash and cash equivalents	792,084	-	792,084
Inventories	1,518,147	-	1,518,147
Accounts receivable	1,706,492	-	1,706,492
Property, plant and equipment	4,701,800	557,967	5,259,767
Intangible assets	781	603,498	604,279
Accounts payable	(792,574)	-	(792,574)
Short-term loan	(4,936,070)	-	(4,936,070)
Long-term loan	(2,457,372)	-	(2,457,372)
Deferred tax	(28,588)	(401,867)	(430,455)
Other assets/(liabilities), net	1,336,307	-	1,336,307
Net identifiable assets acquired and liabilities assumed	1,841,007	759,598	2,600,605
Interest acquired (%)			50
Fair value of identifiable assets acquired and liabilities assumed			1,300,303
Goodwill			898,553
Total consideration - paid			2,198,856

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.

During the years ended 31 December 2016 and 2015, the Group incurred acquisition-related costs of Baht 50.6 million and Baht 124.8 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 2016 and 2015, respectively.

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. Finalisations of the fair values for acquisition of Dhunseri Petglobal Limited is dependent on determination of the ultimate purchase price and completion of the purchase price allocation exercise.

5 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.

Relationships with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Indorama Resources Limited	Thailand	Immediate parent company, 63.69% shareholder, some common directors
Indorama Ventures Global Services Limited	Thailand	Subsidiary, 99.99% shareholding, some common directors
Indorama Polymers Public Company Limited	Thailand	Subsidiary, 72.60% shareholding and 26.99% interest held indirectly, some common directors
Indorama Holdings Limited	Thailand	Subsidiary, 99.81% shareholding, some common directors
Indorama Polyester Industries Public Company Limited	Thailand	Subsidiary, 64.94% shareholding and 34.55% interest held indirectly, some common directors
Indorama Petrochem Limited	Thailand	Subsidiary, 99.99% shareholding, some common directors
TPT Petrochemicals Public Company Limited	Thailand	Subsidiary, 99.97% shareholding, some common directors
IVL Belgium N.V.	Belgium	Subsidiary, 99.99% shareholding, some common directors
Indo Polymers Mauritius Limited	Mauritius	Subsidiary, 100.00% shareholding, a common director
Petform (Thailand) Limited	Thailand	Indirect subsidiary, 59.74% effective interest, some common directors
Asia Pet (Thailand) Limited	Thailand	Indirect subsidiary, 99.58% effective interest, some common directors
Indorama Ventures Polymers (Rayong) Public Company Limited	Thailand	Indirect subsidiary, 99.98% effective interest, some common directors
Guangdong IVL PET Polymer Company Limited	China	Indirect subsidiary, 99.59% effective interest, a common director
FiberVisions (China) Textile Products Limited	China	Indirect subsidiary, 100.00% effective interest
Performance Fibers (Kaiping) Company Limited	China	Indirect subsidiary, 100.00% effective interest, a common director
Performance Fibers (Kaiping) No.2 Company Limited	China	Indirect subsidiary, 100.00% effective interest, a common director
Performance Fibers (Kaiping) No.3 Company Limited	China	Indirect subsidiary, 100.00% effective interest, a common director
Performance Fibers (Kaiping) Trading Company Limited	China	Indirect subsidiary, 100.00% effective interest

Name of entities	Country of incorporation/ nationality	Nature of relationships
Performance Fibers (Hong Kong) Limited	Hong Kong	Indirect subsidiary, 99.99% effective interest, a common director
PT Indorama Ventures Indonesia	Indonesia	Indirect subsidiary, 100.00% effective interest, some common directors
PT Indorama Polyester Industries Indonesia	Indonesia	Indirect subsidiary, 99.98% effective interest, some common directors
PT Indorama Polychem Indonesia	Indonesia	Indirect subsidiary, 100.00% effective interest, a common director
PT Indorama Polypet Indonesia	Indonesia	Indirect subsidiary, 100.00% effective interest, a common director
KP Equity Partners Inc.	Malaysia	Indirect subsidiary, 100.00% effective interest, some common directors
Indorama Ventures Packaging (Myanmar) Limited	Myanmar	Indirect subsidiary, 99.59% effective interest
Indorama Ventures Packaging (Philippines) Corporation	Philippines	Indirect subsidiary, 99.99% effective interest
IVL Singapore PTE Limited	Singapore	Indirect subsidiary, 99.59% effective interest, a common director
Indorama Ventures Packaging (India) Private Limited	India	Indirect subsidiary, 99.98% effective interest
FiberVisions (China) A/S	Denmark	Indirect subsidiary, 100.00% effective interest
FiberVisions A/S	Denmark	Indirect subsidiary, 100.00% effective interest
Wellman France Recyclage SAS	France	Indirect subsidiary, 100.00% effective interest
FiberVisions vermögensverwaltungs mbH	Germany	Indirect subsidiary, 100.00% effective interest
Trevira Holdings GmbH	Germany	Indirect subsidiary, 75.00% effective interest, a common director
Trevira GmbH	Germany	Indirect subsidiary, 75.00% effective interest
PHP Fibers GmbH	Germany	Indirect subsidiary, 80.00% effective interest, a common director (merged with PHP Overseas Investments GmbH in August 2016)
Wellman International Handelsgesellschaft GmbH	Germany	Indirect subsidiary, 100.00% effective interest (liquidated in November 2016)
Wellman International Limited	Ireland	Indirect subsidiary, 100.00% effective interest, a common director
UAB Orion Global PET	Lithuania	Indirect subsidiary, 99.59% effective interest, a common director
UAB Indorama Polymers Europe	Lithuania	Indirect subsidiary, 99.59% effective interest, a common director
UAB Indorama Holdings Europe	Lithuania	Indirect subsidiary, 99.81% effective interest, a 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, a common director
Indorama Polymers Rotterdam B.V.	The Netherlands	Indirect subsidiary, 99.59% effective interest, a common director

Name of entities	Country of incorporation/ nationality	Nature of relationships
Indorama Ventures Recycling Netherlands B.V.	The Netherlands	Indirect subsidiary, 100.00% effective interest
MJR Recycling B.V.	The Netherlands	Indirect subsidiary, 100.00% effective interest
Indorama Holdings Rotterdam B.V.	The Netherlands	Indirect subsidiary, 99.81% effective interest, a common director
Indorama Ventures Dutch Investments B.V.	The Netherlands	Indirect subsidiary, 51.00% effective interest
Indorama Ventures Poland Sp. z o.o.	Poland	Indirect subsidiary, 100.00% effective interest, a common director
Indorama Ventures Química S.L.U.	Spain	Indirect subsidiary, 100.00% effective interest, a common director
Indorama Trading AG	Switzerland	Indirect subsidiary, 99.81% 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
Beverage Plastics (Holdings) Limited	United Kingdom	Indirect subsidiary, 51.00% effective interest
Beverage Plastics Limited	United Kingdom	Indirect subsidiary, 51.00% effective interest
Beacon Trading (UK) Limited	United Kingdom	Indirect subsidiary, 99.81% effective interest
Indorama Trading (UK) Limited	United Kingdom	Indirect subsidiary, 99.81% effective interest
Indorama Polymers Workington Limited	United Kingdom	Indirect subsidiary, 99.59% effective interest, a common director
Indorama Ventures Holdings LP	USA	Indirect subsidiary, 100.00% effective interest
Indorama Ventures USA Holdings LP	USA	Indirect subsidiary, 100.00% effective interest
Indorama Ventures OGL Holdings LP	USA	Indirect subsidiary, 100.00% effective interest
Indorama Ventures Logistics LLC	USA	Indirect subsidiary, 100.00% effective interest, a common director
Indorama Ventures (Oxide & Glycols) LLC	USA	Indirect subsidiary, 100.00% effective interest, a common director
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
Indorama Ventures AlphaPet Holdings, Inc.	USA	Indirect subsidiary, 100.00% effective interest, a common director
Indorama Polymers (USA) LLC	USA	Indirect subsidiary, 100.00% effective interest
AlphaPet, Inc.	USA	Indirect subsidiary, 100.00% effective interest, a common director
Indorama Ventures Polyholding LLC	USA	Indirect subsidiary, 100.00% effective interest
Indorama Ventures USA LLC	USA	Indirect subsidiary, 100.00% effective interest
Auriga Polymers Inc.	USA	Indirect subsidiary, 100.00% effective interest, a common director

Name of entities	Country of incorporation/ nationality	Nature of relationships
StarPet Inc.	USA	Indirect subsidiary, 100.00% effective interest, a common director
Indorama Ventures Xylenes & PTA LLC	USA	Indirect subsidiary, 100.00% effective interest, some common key management personnel
Indorama Ventures Performance Fibers Holdings USA LLC	USA	Indirect subsidiary, 100.00% effective interest, some common key management personnel
FiberVisions Corporation	USA	Indirect subsidiary, 100.00% effective interest, a common director
FiberVisions Manufacturing Company	USA	Indirect subsidiary, 100.00% effective interest, some common key management personnel
FiberVisions Products, Inc.	USA	Indirect subsidiary, 100.00% effective interest, some common key management personnel
FiberVisions L.P.	USA	Indirect subsidiary, 100.00% effective interest
Trevira North America, LLC	USA	Indirect subsidiary, 75.00% effective interest
PHP Fibers Inc.	USA	Indirect subsidiary, 80.00% effective interest, a common director (changed name in August 2016)
Safe Tweave Inc.	USA	Indirect subsidiary, 80.00% effective interest
Indorama Ventures Olefins Holding LLC	USA	Indirect subsidiary, 100.00% effective interest
Indorama Ventures Investments USA LLC	USA	Indirect subsidiary, 51.00% effective interest
Indorama Ventures Olefins LLC	USA	Indirect subsidiary, 75.99% effective interest, some common key management personnel
Indorama Ventures Northern Investments Inc.	Canada	Indirect subsidiary, 100.00% effective interest, a common director
Indorama Ventures Gestion Inc.	Canada	Indirect subsidiary, 100.00% effective interest, a common director
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
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
Indorama Ventures Mexico Assets, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 100% effective interest
Indorama PET (Nigeria) Limited	Nigeria	Indirect subsidiary, 89.63% effective interest, a common director
Indorama Ventures Packaging (Nigeria) Limited	Nigeria	Indirect subsidiary, 100.00% effective interest

Name of entities	Country of incorporation/ nationality	Nature of relationships
Indorama Ventures Packaging (Ghana) Limited	Republic of Ghana	Indirect subsidiary, 100.00% effective interest
ES FiberVisions (Thailand) Company Limited	Thailand	Indirect joint venture, 50.00% effective interest
ES FiberVisions (Suzhou) Co., Ltd.	China	Indirect joint venture, 50.00% effective interest
ES FiberVisions China Limited	China	Indirect joint venture, 50.00% effective interest
ES FiberVisions Shanghai Co., Ltd.	China	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
ES FiberVisions Hong Kong Limited	Hong Kong	Indirect joint venture, 50.00% effective interest
ES FiberVisions Company Limited	Japan	Indirect joint venture, 50.00% effective interest
PT Indorama Petrochemicals	Indonesia	Indirect joint venture, 47.25% effective interest
Micro Polypet Private Limited	India	Indirect joint venture, 50.00% effective interest, some common directors (partial disposal of interest in subsidiary with a change in control in September 2016)
Sanchit Polymers Private Limited	India	Indirect joint venture, 50.00% effective interest (partial disposal of interest in subsidiary with a change in control in September 2016)
Eternity Infrabuild Private Limited	India	Indirect joint venture, 50.00% effective interest (partial disposal of interest in subsidiary with a change in control in September 2016)
IVL Dhunseri Petrochem Industries Limited	India	Indirect joint venture, 50.00% effective interest, some common directors
ES FiberVisions Holdings ApS	Denmark	Indirect joint venture, 50.00% effective interest
ES FiberVisions ApS	Denmark	Indirect joint venture, 50.00% effective interest
TTI GmbH	Germany	Indirect joint venture, 40.00% effective interest
Ottana Polimeri S.R.L.	Italy	Indirect joint venture, 50.00% effective interest
UAB Ottana Polimeri Europe	Lithuania	Indirect joint venture, 50.00% effective interest, a common director
ES FiberVisions LP	USA	Indirect joint venture, 50.00% effective interest

Name of entities	Country of incorporation/ nationality	Nature of relationships
ES FiberVisions, Inc.	USA	Indirect joint venture, 50.00% 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
Pacific Resources Limited	Thailand	Family relationships with directors
Cryoviva (Thailand) Limited	Thailand	Some common directors
Thai Plaspac Public Company Limited	Thailand	Family relationships with directors
Lohia Global Holdings Limited	Hong Kong	Family relationships with directors
PT Indorama Synthetics TBK	Indonesia	47.25% shareholder of indirect joint venture, some common directors
PT Irama Unggul	Indonesia	Family relationships with directors
Yayasan Pendidikan Indorama	Indonesia	Family relationships with a common director
Indo Rama Synthetics (India) Limited	India	Family relationships with directors
Indorama Eleme Petrochemicals Limited	Nigeria	10% shareholder of indirect subsidiary, some common 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 and 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 29 February 2016, Indorama Ventures Packaging (India) Private Limited (“IVPPL”), a new indirect subsidiary, was incorporated in India, with the registered share capital of INR 0.1 million (Baht 52.1 thousand). Subsequently, IVPPL increased and paid-up its share capital to INR 1.4 million (Baht 0.7 million).

On 20 July 2016, Performance Fibers (Kaiping) No.3 Company Limited, a new indirect subsidiary, was incorporated in China, with the registered share capital of USD 20.0 million (Baht 700.9 million). As at 31 December 2016, the paid-up share capital is USD 4.2 million (Baht 146.2 million).

On 14 September 2016, Performance Fibers (Kaiping) Trading Company Limited, a new indirect subsidiary, was incorporated in China, with the registered share capital of USD 0.2 million (Baht 5.4 million). As at 31 December 2016, the paid-up share capital is USD 0.2 million (Baht 5.4 million).

On 30 November 2016, Indorama Ventures Mexico Assets, S. de R.L. de C.V., a new indirect subsidiary, was incorporated in Mexico, with the registered share capital of MXN 3,000.0 (Baht 5,300.0). As at 31 December 2016, the paid-up share capital is MXN 3,000.0 (Baht 5,300.0).

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sales of goods	Market prices
Purchases of goods and raw materials	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:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Interest income	-	-	2,783,496	2,652,395
Other income	-	-	472,775	386,869
Dividend income	-	-	3,962,231	3,128,853
Key management personnel				
Directors' fee and bonus	19,810	21,621	17,320	17,881
Short-term employee benefits	121,878	89,410	-	-
Long-term employee benefits	1,978	1,864	-	-
Other related parties				
Sales of goods	1,448,037	2,525,612	-	-
Purchases of goods and raw materials	1,190,070	720,861	-	-
Other raw materials conversion charges and overheads	13,275	993	-	-
Selling and administrative expenses	256,756	233,526	456	13,639
Interest income	9,913	-	-	-
Other income	2,369	1,346	-	-
Joint ventures				
Sales of goods	4,690,671	5,451,033	-	-
Purchases of goods and raw materials	8,508,989	7,960,214	-	-
Other raw materials conversion charges and overheads	4,613	1,635	-	-
Interest income	18,527	4,146	-	-
Interest expense	191	-	-	-
Other income	64,157	25,108	12,866	1,212
Dividend income	41,964	-	-	-

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Trade accounts receivable from related parties				
Other related parties				
Indo Rama Synthetics (India) Limited	176,544	523,899	-	-
PT Indorama Synthetics TBK	164,868	106,560	-	-
	<u>341,412</u>	<u>630,459</u>	<u>-</u>	<u>-</u>
Joint ventures				
ES FiberVisions LP	442,052	244,897	-	-
ES FiberVisions (Suzhou) Co., Ltd.	65,823	68,872	-	-
ShenMa-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd.	63,240	65,604	-	-
ES FiberVisions Shanghai Co., Ltd.	25,018	-	-	-
ES FiberVisions ApS	21,324	167,560	-	-
ES FiberVisions Hong Kong Limited	15,981	35,713	-	-
ES FiberVisions China Limited	8,948	4,871	-	-
ES FiberVisions (Thailand) Company Limited	6,633	-	-	-
IVL Dhunseri Petrochem Industries Limited	3,281	-	-	-
Micro Polypet Private Limited	332	-	-	-
ES FiberVisions Holdings ApS	-	10,995	-	-
	<u>652,632</u>	<u>598,512</u>	<u>-</u>	<u>-</u>
Total	<u>994,044</u>	<u>1,228,971</u>	<u>-</u>	<u>-</u>
Other receivables				
Subsidiaries				
Indorama Ventures Olefins Holding LLC	-	-	-	12,540
Indorama Netherlands B.V.	-	-	-	1,102
StarPet Inc.	-	-	-	690
	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,332</u>
Other related parties				
Indo Rama Synthetics (India) Limited	4,932	14,466	-	-
Yayasan Pendidikan Indorama	1,449	-	-	-
Cryoviva (Thailand) Limited	228	197	-	-
Indorama Eleme Petrochemicals Limited	-	238	-	-
	<u>6,609</u>	<u>14,901</u>	<u>-</u>	<u>-</u>

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Other receivables				
Joint ventures				
IVL Dhunseri Petrochem Industries Limited	44,113	-	1,932	-
ES FiberVisions Holdings ApS	16,807	-	-	-
Micro Polypet Private Limited	11,471	-	11,471	-
ES FiberVisions (Thailand) Company Limited	9,471	284	-	-
Indorama Ventures EcoMex, S. de R.L. de C.V.	1,144	-	-	-
PT Indorama Petrochemicals	606	7,116	-	-
	83,612	7,400	13,403	-
Total	90,221	22,301	13,403	14,332

Short-term loans to related parties	Interest rate		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Comprising :						
Short-term loans to related parties						
Subsidiaries						
Indorama Polymers Public Company Limited	6.00	6.00	-	-	555,716	883,924
Indorama Holdings Limited	6.00	6.00	-	-	158,300	307,529
Indorama Polyester Industries Public Company Limited	6.00	6.00	-	-	3,129,800	2,023,750
Indorama Netherlands Cooperatief U.A.	2.62-5.70	2.88-5.18	-	-	7,810,603	2,037,932
Indorama Petrochem Limited	6.00	4.50-6.00	-	-	98,300	962,000
TPT Petrochemicals Public Company Limited	6.00	-	-	-	1,045,000	-
Indorama Ventures Global Services Limited	6.00	6.00	-	-	224,500	1,672,971
Indorama Netherlands B.V.	5.46-5.70	5.13-5.18	-	-	2,845,280	3,582,950
Total			-	-	15,867,499	11,471,056
Joint ventures						
ES FiberVisions (Suzhou) Co., Ltd.	1.32-2.40	1.32-2.40	62,704	63,155	-	-
ES FiberVisions (Thailand) Company Limited	5.38-5.99	5.38	304,561	162,399	-	-

<i>Short-term loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans to related parties						
Joint ventures						
ShenMa-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd.	2.00	2.00-2.08	22,654	23,663	-	-
Indorama Ventures EcoMex, S. de R.L. de C.V.	3.30-7.94	-	21,280	-	-	-
Total			411,199	249,217	-	-
Interest receivable from related parties						
Subsidiaries						
Indorama Polymers Public Company Limited			-	-	5,436	5,324
Indorama Holdings Limited			-	-	3,418	36,717
Indorama Polyester Industries Public Company Limited			-	-	19,200	62,986
Indorama Netherlands Cooperatief U.A.			-	-	201,560	21,621
Indorama Petrochem Limited			-	-	14,378	143,815
TPT Petrochemicals Public Company Limited			-	-	13,115	42,922
Indorama Ventures Global Services Limited			-	-	876	4,074
Total			-	-	257,983	317,459
Joint ventures						
ES FiberVisions (Thailand) Company Limited			4,841	792	-	-
ShenMa-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd.			15,349	15,552	-	-
Indorama Ventures EcoMex, S. de R.L. de C.V.			2,797	-	-	-
Total			22,987	16,344	-	-
Total short-term loans to related parties			434,186	265,561	16,125,482	11,788,515

<i>Long-term loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Comprising :						
<i>Long-term loans to related parties</i>						
Subsidiaries						
Indorama Petrochem Limited	6.20	4.50-6.20	-	-	2,449,600	8,582,299
TPT Petrochemicals Public Company Limited	6.20	4.50-6.20	-	-	1,429,400	3,580,000
Indorama Polymers Public Company Limited	6.20	-	-	-	249,000	-
Indorama Holdings Limited	6.20	6.20	-	-	499,500	2,091,482
Indorama Polyester Industries Public Company Limited	6.20	6.20	-	-	1,040,000	1,040,000
Indorama Netherlands Cooperatief U.A.	2.62-6.20	2.88-6.20	-	-	24,917,735	25,115,300
Total			-	-	30,585,235	40,409,081
Joint venture						
ES FiberVisions (Suzhou) Co., Ltd.	1.32-2.39	1.32-2.40	124,572	162,870	-	-
Total			124,572	162,870	-	-
<i>Interest receivables from related party</i>						
Joint venture						
ES FiberVisions (Suzhou) Co., Ltd.			2,468	2,571	-	-
Total			2,468	2,571	-	-
Total long-term loans to related parties			127,040	165,441	30,585,235	40,409,081

During 2016, the Company has amended the loan agreements with Indorama Holdings Limited and Indorama Petrochem Limited to change the repayment term resulting in the reclassification of long-term loans to related parties of Baht 800 million and Baht 500 million, respectively, to be presented under short-term loans to related parties as at 31 December 2016.

<i>Summary of loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Short-term loans	434,186	265,561	16,125,482	11,788,515
Long-term loans	127,040	165,441	30,585,235	40,409,081
Total loans to related parties	561,226	431,002	46,710,717	52,197,596

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>	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Short-term loans:				
Subsidiaries				
At 1 January	-	-	11,471,056	16,480,494
Increase	-	-	58,443,013	37,898,861
Decrease	-	-	(55,346,570)	(43,716,687)
Reclassification	-	-	1,300,000	808,388
At 31 December	-	-	15,867,499	11,471,056
Joint ventures				
At 1 January	249,217	57,685	-	-
Increase	199,350	168,695	-	-
Decrease	(41,779)	(4,286)	-	-
Reclassification	4,411	27,123	-	-
At 31 December	411,199	249,217	-	-
Total short-term loans				
At 1 January	249,217	57,685	11,471,056	16,480,494
Increase	199,350	168,695	58,443,013	37,898,861
Decrease	(41,779)	(4,286)	(55,346,570)	(43,716,687)
Reclassification	4,411	27,123	1,300,000	808,388
At 31 December	411,199	249,217	15,867,499	11,471,056
Long-term loans:				
Subsidiaries				
At 1 January	-	-	40,409,081	26,140,444
Increase	-	-	9,198,342	27,278,461
Decrease	-	-	(17,722,188)	(12,201,436)
Reclassification	-	-	(1,300,000)	(808,388)
At 31 December	-	-	30,585,235	40,409,081
Joint ventures				
At 1 January	162,870	164,125	-	-
Increase	-	45,981	-	-
Decrease	(33,887)	(20,113)	-	-
Reclassification	(4,411)	(27,123)	-	-
At 31 December	124,572	162,870	-	-
Total long-term loans				
At 1 January	162,870	164,125	40,409,081	26,140,444
Increase	-	45,981	9,198,342	27,278,461
Decrease	(33,887)	(20,113)	(17,722,188)	(12,201,436)
Reclassification	(4,411)	(27,123)	(1,300,000)	(808,388)
At 31 December	124,572	162,870	30,585,235	40,409,081

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Advance for share subscription					
Subsidiary					
IVL Belgium N.V.		-	-	3,474	1,918
		-	-	3,474	1,918
Joint venture					
PT Indorama Petrochemicals		592,812	992,456	-	-
Allowance for impairment loss on advance for share subscription	12	-	(159,754)	-	-
Net		592,812	832,702	-	-
		592,812	832,702	3,474	1,918
Trade accounts payable to related parties					
Other related parties					
PT Indorama Synthetics TBK		306,469	44,180	-	-
Indorama Eleme Petrochemicals Limited		14,103	-	-	-
		320,572	44,180	-	-
Joint ventures					
PT Indorama Petrochemicals		490,669	62,126	-	-
Indorama Ventures EcoMex, S. de R.L. de C.V.		26,752	16,587	-	-
IVL Dhunseri Petrochem Industries Limited		20,177	-	-	-
TTI GmbH		7,196	1,513	-	-
		544,794	80,226	-	-
Total		865,366	124,406	-	-
Other payable to related parties					
Subsidiaries					
IVL Singapore PTE Limited		-	-	-	22,259
Trevira Holdings GmbH		-	-	-	1,687
		-	-	-	23,946
Other related parties					
Indo Rama Synthetics (India) Limited		17,462	405	-	-
Lohia Global Holdings Limited		14,726	31,130	-	-
Vega Aviation Limited		5,598	2,256	-	-
PT Indorama Synthetics TBK		344	18,903	-	-
Indorama Eleme Petrochemicals Limited		-	2,107	-	-

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Other payable to related parties				
Other related parties				
Pacific Resources Limited	-	1,793	-	-
	38,130	56,594	-	-
Joint venture				
PT Indorama Petrochemicals	-	141	-	-
	-	141	-	-
Total	38,130	56,735	-	23,946

	Interest rate		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
	(% per annum)		(in thousand Baht)			
Short-term loans from related party						
Joint venture						
Indorama Ventures EcoMex, S. de R.L. de C.V.	7.62-7.94	-	19,247	-	-	-
Total			19,247	-	-	-
Interest payable to related party						
Joint venture						
Indorama Ventures EcoMex, S. de R.L. de C.V.			194	-	-	-
Total			194	-	-	-

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Loans from related party				
Short-term loans:				
Joint venture				
At 1 January	-	-	-	-
Increase	19,247	-	-	-
At 31 December	19,247	-	-	-
Total short-term loans				
At 1 January	-	-	-	-
Increase	19,247	-	-	-
At 31 December	19,247	-	-	-

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.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash on hand	7,739	7,109	-	-
Cash at bank - current accounts	2,386,496	2,635,577	577	446
Cash at bank - savings accounts	579,287	327,547	217,483	6,978
Highly liquid short-term investments	1,052,126	262,243	850,000	-
Total	4,025,648	3,232,476	1,068,060	7,424

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
United States Dollars (USD)	1,302,269	1,624,638	-	-
Thai Baht (THB)	1,165,713	120,503	1,068,060	7,424
Nigerian Naira (NGN)	889,703	167,016	-	-
Euro (EUR)	285,607	377,405	-	-
Chinese Yuan (CNY)	148,471	168,737	-	-
Danish Krone (DKK)	86,227	105,497	-	-
Indonesian Rupiah (IDR)	69,673	84,061	-	-
Mexican Peso (MXN)	33,305	83,374	-	-
Philippines Peso (PHP)	15,747	7,350	-	-
Pounds Sterling (GBP)	10,987	46,768	-	-
Polish Zloty (PLN)	4,751	111,668	-	-
Indian Rupee (INR)	427	307,151	-	-
Turkish Lira (TRY)	73	151	-	-
Others	12,695	28,157	-	-
Total	4,025,648	3,232,476	1,068,060	7,424

7 Other investments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current investments				
Restricted cash at bank to secure letter of credit	112,163	98,755	-	-
Short-term deposits at financial institutions	2,532	5,768	-	-
Short-term debentures issued by financial institutions	-	347,282	-	-
	114,695	451,805	-	-
Other long-term investments				
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	19,963	25,569	-	-
	89,963	119,605	70,000	70,000
Total	204,658	571,410	70,000	70,000

The currency denomination of other investments as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
CNY	112,163	98,755	-	-
THB	70,000	70,000	70,000	70,000
EUR	17,723	25,569	-	-
USD	4,390	172,420	-	-
PLN	382	350	-	-
INR	-	204,316	-	-
Total	204,658	571,410	70,000	70,000

As at 31 December 2016, cash at bank amounting to CNY 21.8 million or equivalent to Baht 112.2 million (2015: CNY 17.8 million or equivalent to Baht 98.8 million) was restricted to secure letters of credit.

8 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		(in thousand Baht)			
Related parties	5	994,044	1,228,971	-	-
Other parties		30,217,241	26,405,691	-	-
Total		31,211,285	27,634,662	-	-
Less allowance for doubtful accounts		(125,786)	(135,090)	-	-
Net		31,085,499	27,499,572	-	-
Write-off allowance for doubtful accounts		31,585	28,000	-	-
Provision for bad and doubtful debts expense during the year, net		30,391	19,896	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>(in thousand Baht)</i>				
Related parties				
Within credit terms	709,436	664,310	-	-
Overdue:				
Less than 3 months	284,608	564,661	-	-
	994,044	1,228,971	-	-
Other parties				
Within credit terms	27,069,842	21,915,516	-	-
Overdue:				
Less than 3 months	2,907,745	3,350,232	-	-
3-6 months	57,306	740,176	-	-
6-12 months	48,346	235,651	-	-
Over 12 months	134,002	164,116	-	-
	30,217,241	26,405,691	-	-
Less allowance for doubtful accounts	(125,786)	(135,090)	-	-
	30,091,455	26,270,601	-	-
Net	31,085,499	27,499,572	-	-

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	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
USD	18,810,252	18,463,708	-	-
EUR	6,557,632	2,991,658	-	-
THB	1,776,260	2,202,466	-	-
TRY	987,253	342,740	-	-
CNY	953,977	1,060,391	-	-
IDR	939,221	1,059,578	-	-
GBP	377,581	729,583	-	-
DKK	218,654	-	-	-
MXN	201,012	265,696	-	-
PHP	139,944	73,123	-	-
PLN	45,744	87,056	-	-
NGN	45,646	150,168	-	-
INR	-	73,405	-	-
Others	32,323	-	-	-
Total	31,085,499	27,499,572	-	-

Trade accounts receivable with a carrying amount of Baht 13,745 million (2015: Baht 11,193 million) have been pledged as collateral to secure loans from financial institutions.

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Finished goods	22,430,785	17,191,769	-	-
Work in process	1,525,254	1,498,458	-	-
Raw materials	11,074,875	8,612,449	-	-
Trading materials	52,598	55,550	-	-
Spare parts and supplies	4,597,889	4,026,516	-	-
Goods in transit	1,420,657	1,145,685	-	-
	41,102,058	32,530,427	-	-
Less allowance for decline in value	(643,204)	(744,794)	-	-
Net	40,458,854	31,785,633	-	-
Carrying value of inventories subject to retention of title clauses or otherwise pledged to secure liabilities	15,345,266	11,612,763	-	-
Inventories recognised as an expense in 'cost of sale of goods':				
- Cost	164,561,178	164,696,953	-	-
- Write-down to net realisable value	181,959	353,614	-	-
- Reversal of write-down	(249,071)	(313,482)	-	-
Net total	164,494,066	164,737,085	-	-

10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Value added tax receivable	3,752,071	3,200,110	-	-
Advance payments	1,340,411	637,834	3,490	2,063
Other receivables	861,416	889,832	13,403	14,332
Prepaid expenses	747,949	583,356	-	-
Receivable from seller in business combination	501,941	607,140	-	-
Advance tax payments and withholding tax	342,016	608,197	40,860	28,799
Material price adjustment receivable	173,155	328,796	-	-
Insurance claims receivable	63,405	7,187	-	-
Others	594,003	450,702	165,565	14,541
Total	8,376,367	7,313,154	223,318	59,735

Receivable from seller in business combination relates to a tax liability, which was recorded as part of income tax payable as at 31 December 2016 and 2015, for which IVL can claim from Arteva Latin America B.V. as per the sale and purchase agreement.

11 Investments in subsidiaries and other equity security

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	-	-	46,846,899	42,141,073
Additional investments	-	-	10,951,357	4,705,826
At 31 December	-	-	57,798,256	46,846,899

Investments in subsidiaries and other equity security as at 31 December 2016 and 2015, and dividend income from those investments for the years then ended were as follows:

Consolidated financial statements												
Type of business	Effective ownership interest		Paid-up capital		Cost		Impairment		Carrying amount		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(in thousand Baht)											
(%)												
Other equity security												
Tuntex Textile (Thailand)												
Company Limited	4.63	4.63	430,000	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	Ownership interest		Paid-up capital		Cost		Impairment		Return of capital		At cost-net		Dividend income		
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
	(in thousand Baht)														
Subsidiaries															
Indorama Petrochem Limited	99.99	99.99	10,146,167	6,146,167	7,944,151	3,944,151	-	-	-	-	7,944,151	3,944,151	-	-	
Indorama Holdings Limited	99.81	99.81	774,468	774,468	2,001,419	2,001,419	-	-	-	-	2,001,419	2,001,419	734,379	881,255	
Indorama Polymers Public Company Limited	72.60	72.60	1,382,198	1,382,198	7,219,741	7,219,741	-	-	-	-	7,219,741	7,219,741	1,545,450	501,769	
Indorama Polyester Industries Public Company Limited	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	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.	99.99	99.99	121,630	121,630	121,630	121,630	-	-	-	-	121,630	121,630	-	-	
Indo Polymers Mauritius Limited	100.00	100.00	30,535,134	26,883,774	30,535,134	26,883,774	-	-	-	-	30,535,134	26,883,774	-	525,830	
Indorama Ventures Global Services Limited	99.99	99.99	3,320,000	20,000	3,319,997	20,000	-	-	-	-	3,319,997	20,000	1,682,402	1,219,999	
Total					57,798,256	46,846,899	-	-	-	-	57,798,256	46,846,899	3,962,231	3,128,853	

None of the Group's subsidiaries or other equity security are publicly listed and consequently they do not have published price quotations.

During 2016, Indo Polymers Mauritius Limited ("IPML") increased its share capital from USD 867.2 million (Baht 26,883.8 million) to USD 971.2 million (Baht 30,535.1 million) for which the Company subscribed to the entire increased capital.

During 2016, Indorama Petrochem Limited ("IRPTA") increased its share capital from Baht 6,146.2 million to Baht 10,146.2 million for which the Company subscribed to the entire increased capital.

During 2016, Indorama Ventures Global Services Limited ("IVGSL") increased its share capital from Baht 20.0 million to Baht 3,320.0 million for which the Company subscribed to the entire increased capital.

12 Investments in joint ventures

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
At 1 January		1,962,392	1,941,863	-	-
Additional investments		1,297,786	161,842	-	-
Partial disposal of interest in subsidiary with a change in control	4(v)	529,421	-	-	-
Acquisitions	4(viii)	2,198,856	-	-	-
Share of losses of investments in joint ventures, net		(173,076)	(242,165)	-	-
Recognised share of loss of investment in joint venture previously recognised as allowance for impairment loss on advance for share subscription		(154,173)	-	-	-
Dividend income		(41,964)	-	-	-
Other comprehensive income		2,193	958	-	-
Effect of movements in exchange rates		(91,604)	99,894	-	-
At 31 December		5,529,831	1,962,392	-	-

Investments in joint ventures as at 31 December 2016 and 2015 and share of net profits (losses) of joint ventures for the years then ended, 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		
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
(in thousand Baht)																	
Joint ventures	Manufacture of UAB Ottana Polimeri Europe	50.00	50.00	242,460	242,460	121,230	121,230	146,966	178,488	(146,671)	(146,671)	(295)	(2,983)	-	28,834	(28,539)	(48,396)
	Manufacture of PTA	47.25	43.16	6,814,874	4,532,869	1,471,278	2,769,064	846,849	12,965	-	-	(47,812)	(12,965)	799,037	-	(295,963)	(261,638)
	Marketing and sales of fiber	50.00	50.00	603,959	603,959	694,326	694,326	962,049	840,570	-	-	(11,404)	74,794	950,645	915,364	46,685	59,816
	Manufacture of biocomponent fiber																
	Production and internal sale of air bag yarns	50.00	50.00	369,946	369,946	182,383	182,383	208,253	168,657	-	-	(14,065)	8,508	194,188	177,165	31,088	23,722
	ShenMa-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd.	39.20	39.20	796,144	796,144	191,864	191,864	263,143	220,744	-	-	(20,945)	12,429	242,198	233,173	29,970	(6,828)
	Marketing and sale of air bag yarns	40.80	40.80	9,038	9,038	152,611	152,611	187,872	178,458	-	-	(10,098)	483	177,774	178,941	8,931	18,980
	Research and development service	40.00	40.00	1,119	1,119	10,926	10,926	9,606	7,190	-	-	(383)	(235)	9,223	6,955	-	(2,411)
	Manufacture of polyester fibers and yarns	50.00	50.00	410,000	410,000	205,000	205,000	196,302	203,100	-	-	-	-	196,302	203,100	(6,798)	(1,900)
	Manufacture of PET recycled flake	51.00	51.00	430,883	430,883	221,759	221,759	208,641	198,726	-	-	(1,714)	19,849	206,927	218,575	(9,934)	(23,778)
Indorama Ventures EcoMex Administrative Services, S. de R.L. de C.V.	51.00	51.00	7	7	3	3	106	271	-	-	(5)	14	101	285	(179)	268	
Micro Polypet Private Limited																	
PET Preform	50.00	-	51,680	-	529,421	-	538,662	-	-	-	-	9,369	-	548,031	-	9,241	-
Manufacture of PET Resin	50.00	-	206,720	-	2,198,856	-	2,199,657	-	-	-	5,748	-	2,205,405	-	42,422	-	
Total							7,277,443	5,768,106	2,009,169	(146,671)	(146,671)	99,894	5,529,831	1,962,392	(173,076)	(242,165)	

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 2016 and 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 2018, to acquire 42% of shares of PT Indorama Petrochemicals (“PTIP”) from PT Indorama Synthetics TBK (“PTIRS”), a shareholder holding 47.25% of PTIP and a related party of IVL.

During 2016, PTIP increased its share capital from USD 145.2 million (Baht 4,532.9 million) to USD 210.3 million (Baht 6,814.9 million) for which the Group entirely subscribed to the portion of its shareholdings.

The Group purchased additional shares of PTIP for a cash consideration of EUR 5.8 million (Baht 227.2 million) bringing the Group’s shareholding in PTIP to 47.25% as at 31 December 2016.

The Group has not recognised losses relating to the investment in PTIP 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, which represented the Group’s share of losses in 2015, was recorded as allowance for impairment loss on advance for share subscription as at 31 December 2015. During the year ended 31 December 2016, due to additional subscription of advance for share subscription, the Group reversed allowance for impairment loss on advance for share subscription to be off-set against investment in PTIP.

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, ES FiberVisions Shanghai Co., Ltd. and ES FiberVisions Company Limited.

The Group’s investment in joint venture, Micro Polypet Private Limited, consist of the investment in the compulsorily convertible debentures (CCDs) held by IVGS amounting to INR 900.0 million (Baht 487.1 million). CCDs are compulsorily and mandatorily converted into the fixed numbers of equity shares as per the terms and conditions stipulated in the shareholder’s agreement.

During the years ended 31 December 2016 and 2015, there was no disposal of investments in joint ventures.

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.

	IVL Dhunseri			
	Micro Polypet	Petrochem	PT Indorama	ES FiberVisions
	Private Limited	Industries Limited	Petrochemicals	
2016				
(in thousand Baht)				
Revenue	1,766,624	4,620,732	8,552,143	8,460,072
Profit (loss) from operations (a)	18,482	84,844	(626,376)	93,369
Other comprehensive income	-	686	(1,695)	-
Total comprehensive income (100%)	18,482	85,530	(628,071)	93,369
Total comprehensive income (% hold)	50.00	50.00	47.25	50.00
Group’s share of total comprehensive income	9,241	42,765	(296,764)	46,685
Current assets (b)	1,288,483	6,282,582	2,110,614	1,935,203
Non-current assets	2,865,329	5,809,045	9,987,364	1,370,823
Current liabilities (c)	2,708,878	6,109,176	2,694,185	1,344,553
Non-current liabilities (d)	361,508	2,671,129	7,951,063	60,204
Net assets (100%)	1,083,426	3,311,322	1,452,730	1,901,269
Group’s share of net assets (% hold)	50.00	50.00	47.25	50.00
Carrying amount of interest in joint venture	548,031	2,205,405	799,037	950,645

	IVL Dhunseri			
	Micro Polypet	Petrochem	PT Indorama	ES FiberVisions
	Private Limited	Industries Limited	Petrochemicals	
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	-
Total comprehensive income (100%)	-	-	(961,117)	119,632
Total comprehensive income (% hold)	-	-	43.16	50.00
Group’s share of total comprehensive income	-	-	(260,680)	59,816
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
Net assets (100%)	-	-	(243,233)	1,830,710
Group’s share of net assets (% hold)	-	-	43.16	50.00
Carrying amount of interest in joint venture	-	-	-	915,364

	IVL Dhunseri			
	Micro Polypet	Petrochem	PT Indorama	
	Private Limited	Industries Limited	Petrochemicals	ES FiberVisions
	2016			
	(in thousand Baht)			
Remark:				
a Includes:				
- depreciation and amortisation	37,849	85,411	339,575	1,090
- interest expense	72,450	112,131	307,875	5,519
- income tax expense	-	55,731	79,939	44,293
b Includes cash and cash equivalents	32,824	964,428	78,161	237,473
c Includes current financial liabilities (excluding trade and other payables)	2,178,475	4,928,229	349,544	-
d Includes non-current financial liabilities (excluding trade and other payables)	307,030	2,185,938	6,570,164	-
	2015			
	(in thousand Baht)			
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	
	2016	2015
	(in thousand Baht)	
Carrying amount of interests in immaterial joint ventures	1,026,713	1,047,028
Group's share of:		
- Profit (loss) from continuing operations, net	24,539	(40,343)
- Other comprehensive income	2,651	-
- Total comprehensive income	27,190	(40,343)

13 Non-controlling interests

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 2016		
	PHP Fibers GmbH and its subsidiaries	Trevira Holdings GmbH and its subsidiaries	Petform (Thailand) Limited
	<i>(in thousand Baht)</i>		
Non-controlling interest percentage	20.00%	25.00%	40.00%
Current assets	2,679,503	1,942,701	441,769
Non-current assets	4,056,660	2,371,406	1,854,104
Current liabilities	1,447,268	977,810	619,977
Non-current liabilities	1,481,739	367,501	530,169
Net assets	3,807,156	2,968,796	1,145,727
Carrying amount of non-controlling interest	660,646	694,910	458,290
Revenue	9,357,583	8,825,866	2,798,498
Profit (loss)	126,795	(19,542)	349,808
Other comprehensive income	(81,693)	(7,291)	(70)
Total comprehensive income	45,102	(26,833)	349,738
Profit (loss) allocated to non-controlling interest	25,359	(4,886)	139,923
Other comprehensive income allocated to non-controlling interest	(54,004)	(52,100)	(28)
Cash flows from operating activities	567,743	259,389	794,916
Cash flows used in investing activities	(243,191)	(203,004)	(402,206)
Cash flows used in financing activities (dividends to non-controlling interest: Baht 374.7 million)	(282,334)	(100,722)	(393,257)
Net increase (decrease) in cash and cash equivalents	42,218	(44,337)	(547)

	31 December 2015		
	PHP Fibers GmbH and its subsidiaries	Trevira Holdings GmbH and its subsidiaries	Petform (Thailand) Limited
	<i>(in thousand Baht)</i>		
Non-controlling interest percentage	20.00%	25.00%	40.00%
Current assets	3,291,907	1,993,721	693,007
Non-current assets	4,251,676	2,737,910	1,615,035
Current liabilities	1,049,012	1,239,725	486,671
Non-current liabilities	1,390,849	364,377	747,882
Net assets	5,103,722	3,127,529	1,073,489
Carrying amount of non-controlling interest	952,980	751,895	429,395

31 December 2015

	PHP Fibers GmbH and its subsidiaries	Trevira Holdings GmbH and its subsidiaries	Petform (Thailand) Limited
	<i>(in thousand Baht)</i>		
Non-controlling interest percentage	20.00%	25.00%	40.00%
Revenue	9,339,887	9,647,612	2,575,439
Profit	145,022	532,407	265,665
Other comprehensive income	28,922	-	(6,298)
Total comprehensive income	173,944	532,407	259,367
Profit allocated to non-controlling interest	29,004	133,102	106,266
Other comprehensive income allocated to non-controlling interest	(4,248)	(11,018)	(2,519)
Cash flows from operating activities	289,919	788,949	467,478
Cash flows used in investing activities	(445,402)	(208,836)	(180,091)
Cash flows used in financing activities (dividends to non-controlling interest: Baht 54 million)	(52,303)	(611,913)	(282,992)
Net increase (decrease) in cash and cash equivalents	(207,786)	(31,800)	4,395

	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
							Total
	<i>(in thousand Baht)</i>						
Depreciation							
At 1 January 2015	358,263	3,285,811	30,677,179	702,027	156,981	60,381	35,240,642
Depreciation charge for the year	88,203	818,269	7,198,357	149,105	39,816	30,747	8,324,497
Disposals	-	(78,455)	(333,159)	(444)	(13,234)	(513)	(425,805)
Effect of movements in exchange rates	27,659	21,978	553,984	11,035	1,853	548	617,057
At 31 December 2015 and 1 January 2016	474,125	4,047,603	38,096,361	861,723	185,416	91,163	43,756,391
Depreciation charge for the year	70,572	870,299	8,472,138	145,289	34,270	34,013	9,626,581
Reclassification	-	-	(15,879)	-	-	-	(15,879)
Disposals	(94,266)	(2,042)	(193,772)	(13,544)	(18,536)	-	(322,160)
Partial disposal of interest in subsidiary with a change in control	-	(9,975)	(67,335)	(3,083)	(160)	-	(80,553)
Effect of movements in exchange rates	(5,814)	(134,957)	(785,100)	(22,251)	(2,596)	37	(950,681)
At 31 December 2016	444,617	4,770,928	45,506,413	968,134	198,394	125,213	52,013,699
Impairment							
At 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 and 1 January 2016	-	-	(558,283)	-	-	-	(558,283)
Impairment losses	-	-	(494,261)	(7,083)	-	-	(501,344)
Effect of movements in exchange rates	-	-	162,237	1,151	-	-	163,388
At 31 December 2016	-	-	(890,307)	(5,932)	-	-	(896,239)

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
							Total
<i>(in thousand Baht)</i>							
Net book value							
At 1 January 2015							
Owned assets	4,223,247	11,331,811	75,880,810	468,444	74,445	621,717	97,249,067
Assets under finance leases	554,875	5,762	5,137	-	7,629	-	573,403
	4,778,122	11,337,573	75,885,947	468,444	82,074	621,717	97,822,470
At 31 December 2015 and 1 January 2016							
Owned assets	5,716,246	14,262,059	86,736,578	476,970	74,980	705,991	119,729,178
Assets under finance leases	602,739	23,426	4,555	-	5,684	-	636,404
	6,318,985	14,285,485	86,741,133	476,970	80,664	705,991	120,365,582
At 31 December 2016							
Owned assets	7,406,030	13,406,342	98,872,911	531,182	134,578	685,636	136,540,447
Assets under finance leases	285,242	18,551	3,533	-	12,574	-	319,900
	7,691,272	13,424,893	98,876,444	531,182	147,152	685,636	136,860,347

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. 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, totaling Baht 597.4 million in the consolidated statement of income for the year ended 31 December 2014. As at 31 December 2016 and 2015, the management of IRPW re-assessed the recoverable amount of impaired CGU by appointed an independent appraiser to determine the fair value less cost of disposal of property, plant and equipment and concluded that there has been no change in the amount of allowance for impairment loss since the date of the last assessment.

In 2016, Indorama Ventures Adana PET Sanayi Anonim Sirketi (“IVAP”), an indirect subsidiary, suspended its operations and mothballed the plant with an intention to re-start the operations when the business condition improved. The production facility has been suspended on 30 December 2016. The management of IVAP believes that the values of plant, machinery and equipment and intangibles assets of IVAP might be impaired. Therefore, as of 31 December 2016, the management has estimated the fair value less cost of disposal based on the residual value of the cash-generating unit which comprised plant, machinery and equipment and intangible assets related to IVAP’s operations (“CGU”) to determine the recoverable amount of CGU. Based on the result of this assessment, the Group recorded impairment loss on plant of Baht 407.2 million and on intangible assets of Baht 106.6 million, totaling Baht 513.8 million in the consolidated statement of income for the year ended 31 December 2016. The carrying amount of plant and intangible assets related to IVAP’s operation after recognition of impairment loss amounted to Baht 18.0 million and Baht nil million, respectively.

In 2016, Indorama Petrochem Limited (“IRPTA”), a direct subsidiary, impaired certain machinery and equipment related to Thermal Oxidiser unit which has not been used in operation. The management of IRPTA estimated the fair value less cost of disposal based on the residual value of relevant machinery and equipment. Based on the result of this assessment, the Group recorded impairment loss on property, plant and equipment of Baht 94.1 million in the consolidated statement of income for the year ended 31 December 2016. The carrying amount of machinery and equipment related to Thermal Oxidiser unit after recognition of impairment loss amounted to Baht nil million.

The gross amount of the Group’s fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 21,641.2 million (*2015: Baht 19,879.6 million*).

Certain property, plant and equipment with a carrying value of Baht 30,381.5 million (*2015: Baht 42,876.7 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 378.5 million (*2015: Baht 134.5 million*), with a capitalisation rate of 1.08-6.20% (*2015: 2.50-5.49%*) (see Note 32).

In 2016, with the acquisition of chemical complex by Indorama Ventures Xylenes & PTA LLC (“IVXP”), an indirect subsidiary of IVL, from BP Amoco Chemical Company, IVXP waived the obligations previously obligated to AlphaPet, Inc., an indirect subsidiary of IVL, to remove and dismantle the PET resin facility and other improvements at the leased premises as per ground lease agreement between BP Amoco Chemical Company and AlphaPet, Inc. Accordingly, the decommissioning asset and decommissioning liability were derecognised amounting to Baht 281.5 million and Baht 500.9 million, respectively and net impact of Baht 221.2 million is recorded in other income in the consolidated statement of income for the year ended 31 December 2016.

15 Goodwill

	<i>Note</i>	Consolidated financial statements	
		2016	2015
		<i>(in thousand Baht)</i>	
Cost			
At 1 January		9,788,557	8,054,789
Acquired through business combination	4(ii)	-	918,402
Effect of foreign currency exchange differences		(133,717)	815,366
At 31 December		9,654,840	9,788,557
Net book value			
At 1 January		9,788,557	8,054,789
At 31 December		9,654,840	9,788,557

Impairment testing for the cash generating unit containing goodwill

The recoverable amount of the cash generating unit (“CGU”) containing goodwill were based on discounted cash flows estimated by managements. The key assumptions used in the estimation of the recoverable amount in each CGU related to discount rate and budgeted EBITDA. The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

The estimated recoverable amount of each CGU exceeded its carrying amount therefore no impairment losses to be recognised as of 31 December 2016 and 2015.

16 Other intangible assets

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)								
<i>Cost</i>										
At 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										
● Polyplex Resins San. ve Tic. A.S.	4(i)	1,227	-	-	-	-	-	-	-	1,227
● Performance Fibers Holdings Finance, Inc.	4(ii)	-	-	5,170	448,673	604,733	448,673	-	162,563	1,669,812
● Bangkok Polyesters Public Company Limited	4(iii)	-	-	218	-	259,424	-	-	-	259,642
● CEPESA Chimie Montréal s.e.c	4(iv)	-	-	-	562,495	-	-	-	-	562,495
● Micro Polypet Private Limited	4(v)	-	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 and 1 January 2016		82,991	4,820,236	286,870	5,260,359	4,738,317	1,427,160	360,886	368,545	17,345,364
Additions		53,927	-	13,415	-	-	-	-	40,474	107,816
Acquisitions through business combinations										
● Chemical complex of BP Amoco Chemical Company	4(vi)	-	324,201	5,800	2,323,312	-	-	-	-	2,653,313
● Guadarranque Polyester S.L.U.	4(vii)	-	2,236,327	9,170	1,067,532	-	-	-	-	3,313,029
Reclassifications		-	-	15,939	(97,454)	-	-	-	-	(81,515)
Partial disposal of interest in subsidiary with a change in control	4(v)	-	(34,259)	-	-	-	-	-	-	(34,259)
Write-off		-	-	(398)	-	-	-	-	-	(398)
Effect of movements in exchange rates		(2,634)	(175,169)	(6,018)	(103,258)	(141,607)	(55,911)	(2,579)	(20,294)	(507,470)
At 31 December 2016		134,284	7,171,336	324,778	8,450,491	4,596,710	1,371,249	358,307	388,725	22,795,880

Consolidated financial statements										
	Note	Rights acquired	Supplier contract and relationships	Software licenses	Technology licenses and know/how	Customer contracts and relationships	Trade name and trademarks	Chemicals exchange contract	Capitalised development expenditure	Total
<i>(in thousand Baht)</i>										
Amortisation										
At 1 January 2015		22,834	397,700	144,092	811,759	1,130,583	24,785	47,674	-	2,579,427
Amortisation charge for the year		5,361	147,319	31,034	286,207	404,310	60,824	18,045	34,315	987,415
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	197,334
At 31 December 2015 and 1 January 2016		28,192	590,457	187,047	1,161,374	1,599,103	86,789	71,188	40,026	3,764,176
Amortisation charge for the year		5,445	380,721	36,046	436,157	431,326	73,100	18,624	43,054	1,424,473
Reclassifications		-	-	11,438	(11,438)	-	-	-	-	-
Partial disposal of interest in subsidiary with a change in control	4(v)	-	(7,895)	-	-	-	-	-	-	(7,895)
Write-off		-	-	(100)	-	-	-	-	-	(100)
Effect of movements in exchange rates		(788)	(5,614)	(3,046)	(12,995)	(43,245)	(7,104)	(223)	(3,247)	(76,262)
At 31 December 2016		32,849	957,669	231,385	1,573,098	1,987,184	152,785	89,589	79,833	5,104,392
Impairment losses										
At 31 December 2015 and 1 January 2016		-	-	-	-	-	-	-	-	-
Impairment loss for the year	14	1,580	-	2,634	-	102,347	-	-	-	106,561
Effect of movements in exchange rates		(257)	-	(428)	-	(16,631)	-	-	-	(17,316)
At 31 December 2016		1,323	-	2,206	-	85,716	-	-	-	89,245
Net book value										
At 1 January 2015		62,385	4,005,216	101,280	3,226,601	2,538,674	889,677	281,956	21,109	11,126,898
At 31 December 2015 and 1 January 2016		54,799	4,229,779	99,823	4,098,985	3,139,214	1,340,371	289,698	328,519	13,581,188
At 31 December 2016		100,112	6,213,667	91,187	6,877,393	2,523,810	1,218,464	268,718	308,892	17,602,243

17 Deferred tax

Deferred tax assets and liabilities as at 31 December 2016 and 2015 were as follows:

Consolidated financial statements						
	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
	(in million Baht)					
Property, plant and equipment	(1,136)	(1,606)	12,735	11,246	11,599	9,640
Intangible assets	(129)	(81)	4,704	2,914	4,575	2,833
Accounts receivable	(5)	(8)	-	-	(5)	(8)
Derivatives	(10)	(27)	69	-	59	(27)
Inventories	(190)	(195)	46	43	(144)	(152)
Provisions	(331)	(349)	312	326	(19)	(23)
Loss carry forward	(2,833)	(3,099)	-	-	(2,833)	(3,099)
Others	(947)	(980)	278	352	(669)	(628)
Total	(5,581)	(6,345)	18,144	14,881	12,563	8,536
Set off of tax	3,348	3,658	(3,348)	(3,658)	-	-
Net deferred tax (assets) liabilities	(2,233)	(2,687)	14,796	11,223	12,563	8,536

Separate financial statements						
	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
	(in million Baht)					
Derivatives	-	-	70	10	70	10
Loss carry forward	(2)	(20)	-	-	(2)	(20)
Total	(2)	(20)	70	10	68	(10)
Set off of tax	2	10	(2)	(10)	-	-
Net deferred tax (assets) liabilities	-	(10)	68	-	68	(10)

Movements in total deferred tax assets and liabilities during the years ended 31 December 2016 and 2015 were as follows:

Consolidated financial statements							
Charged / (credited to) :							
	At 1 January 2016	Profit or loss	Other comprehensive income	Acquired in business combination	Partial disposal of interest in subsidiary with a change in control	Exchange differences	At 31 December 2016
	(in million Baht)						
Property, plant and equipment	9,640	746	-	1,595	(249)	(133)	11,599
Intangible assets	2,833	18	-	1,820	(9)	(87)	4,575
Accounts receivable	(8)	3	-	-	-	-	(5)
Derivatives	(27)	-	66	-	-	20	59
Inventories	(152)	6	-	-	-	2	(144)
Provisions	(23)	7	-	-	-	(3)	(19)
Loss carry forward	(3,099)	(134)	-	-	348	52	(2,833)
Others	(628)	12	(56)	-	1	2	(669)
Total	8,536	658	10	3,415	91	(147)	12,563

Consolidated financial statements							
Charged / (credited to) :							
	At 1 January 2015	Profit or loss	Other comprehensive income	Acquired in business combination	Partial disposal of interest in subsidiary with a change in control	Exchange differences	At 31 December 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)
Total	7,652	1,054	(1)	(752)	-	583	8,536

Separate financial statements					
Charged / (credited to) :					
	At 1 January 2016	Profit or loss	Other comprehensive income	Equity	At 31 December 2016
	(in million Baht)				
Derivatives	10	-	60	-	70
Loss carry forward	(20)	18	-	-	(2)
Total	(10)	18	60	-	68

Separate financial statements					
Charged / (credited to) :					
	At 1 January 2015	Profit or loss	Other comprehensive income	Equity	At 31 December 2015
	(in million Baht)				
Derivatives	39	-	(29)	-	10
Loss carry forward	(65)	45	-	-	(20)
Total	(26)	45	(29)	-	(10)

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in million Baht)			
Deductible temporary differences	(38)	(232)	-	-
Tax losses	3,970	2,512	-	-
Total	3,932	2,280	-	-

The tax losses expire from 2017 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.

18 Interest-bearing liabilities

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
		(in thousand Baht)			
Current					
Bank overdrafts					
Secured		209,243	601,632	-	-
Unsecured		171,925	18,918	-	-
Short-term loans from financial institutions (a)					
Secured		6,006,794	7,926,867	-	-
Unsecured		2,817,591	3,567,592	-	1,244,000
Bank overdrafts and short-term loans from financial institutions		9,205,553	12,115,009	-	1,244,000
Short-term loans from related party	5	19,247	-	-	-
Current portion of long-term loans from financial institutions					
Secured		1,338,808	1,552,545	-	-
Unsecured		3,161,420	632,188	299,642	202,229
Less deferred financing costs		(96,584)	(66,580)	(36,567)	(17,588)
Net current portion of long-term loans (b)		4,403,644	2,118,153	263,075	184,641
Current portion of finance lease liabilities (c)		7,623	8,440	-	-
Current portion of debentures (d)		5,499,308	2,898,005	5,499,308	2,898,005
Total current interest-bearing liabilities		19,135,375	17,139,607	5,762,383	4,326,646
Non-current					
Long-term loans from financial institutions					
Secured		12,926,200	6,426,592	-	-
Unsecured		38,493,577	27,917,172	11,999,173	7,766,577
Less deferred financing costs		(251,833)	(203,476)	(46,033)	(37,719)
Net long-term loans (b)		51,167,944	34,140,288	11,953,140	7,728,858
Finance lease liabilities (c)		12,432	16,351	-	-
Debentures (d)		31,789,798	32,310,010	26,860,823	27,358,481
Total non-current interest-bearing liabilities		82,970,174	66,466,649	38,813,963	35,087,339

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within one year	19,127,752	17,131,167	5,762,383	4,326,646
After one year but within five years	59,894,599	43,222,198	20,777,115	17,851,305
After five years	23,063,143	23,228,100	18,036,848	17,236,034
Total	102,085,494	83,581,465	44,576,346	39,413,985

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Trade accounts receivable	13,744,761	11,192,912	-	-
Inventories	15,345,266	11,612,763	-	-
Property, plant and equipment	30,381,487	42,876,703	-	-
Total	59,471,514	65,682,378	-	-

(a) Short-term loans from financial institutions

Short-term loans from financial institutions comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Secured short-term loan	1,772,633	2,409,664	-	-
Unsecured short-term loan	1,353,417	3,127,242	-	1,244,000
Secured revolving loan (USD 76,359,700) (2015: USD 57,451,992) due in March 2021, secured by trade accounts receivable and inventories	2,736,021	2,073,362	-	-
Secured revolving loan (USD 35,284,812) (2015: USD 49,754,822) due in August 2020, secured by trade accounts receivable and inventories	1,264,280	1,795,582	-	-
Secured revolving loan (EUR 6,193,693) (2015: EUR 41,792,882) due in April 2018, secured by property, plant and equipment	233,860	1,648,259	-	-
Unsecured revolving loan (EUR 31,660,937) (2015: EUR 10,946,931)	1,195,444	431,734	-	-
Others	268,730	8,616	-	-
Total	8,824,385	11,494,459	-	1,244,000

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.

(b) Long-term loans from financial institutions

Long-term loans from financial institutions comprise the following :

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Unsecured loan, due in March 2017, repayable in semi-annual installments, starting in third quarter of 2010 with interest at LIBOR 6 month plus margin per annum	-	124,051	-	124,051
Unsecured loan, due in April 2021, repayable in quarterly installments, starting in third quarter of 2014, with interest at EURIBOR 3 month plus margin per annum	1,348,387	1,485,375	1,348,387	1,485,375
Unsecured loan, due in May 2018, repayable in lumpsum, with interest at LIBOR 3 month plus margin per annum	2,880,200	3,625,380	2,880,200	3,625,380
Unsecured loan, due in September 2023, repayable in semi-annual installments, starting in third quarter of 2018 with interest at BIBOR 3 month plus margin per annum	1,913,800	2,734,000	1,913,800	2,734,000
Unsecured loan, due in July 2019, repayable in lumpsum, with interest at LIBOR 3 month plus margin per annum	2,556,178	-	2,556,178	-
Unsecured loan, due in September 2019, repayable in lumpsum, with interest at LIBOR 3 month plus margin per annum	3,600,250	-	3,600,250	-
Unsecured loan, due in August 2018, repayable in quarterly installments, starting in third quarter of 2013 with interest at THBFIX 3 month plus margin per annum	136,500	196,000	-	-
Unsecured loan, due in September 2019, repayable in quarterly installments, starting in third quarter of 2014 with interest at BIBOR 3 month plus margin per annum	-	142,880	-	-
Unsecured loan, due in December 2022, repayable in quarterly installments, starting in first quarter of 2018 with interest at BIBOR 3 month plus margin per annum	450,000	450,000	-	-

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Unsecured loan, due in July 2020, repayable in semi-annual installments, starting in first quarter of 2016 with interest at LIBOR 6 month plus margin per annum	720,050	906,346	-	-
Unsecured loan, due in December 2020, repayable in quarterly installments, starting in first quarter of 2017 with interest at LIBOR 3 month plus margin per annum	15,478,862	17,322,528	-	-
Unsecured loan, due in December 2020, repayable in quarterly installments, starting in fourth quarter of 2016 with interest at LIBOR 3 month plus margin per annum	7,775,262	-	-	-
Unsecured loan, due in March 2022, repayable in quarterly installments, starting in second quarter of 2017 with interest at EURIBOR 3 month plus margin per annum	1,208,430	1,262,038	-	-
Secured loan, due in June 2019, repayable in semi-annual installments, starting in fourth quarter of 2018 with interest at LIBOR 3 month plus margin per annum, secured by property, plant and equipment	-	1,082,658	-	-
Secured loan, due in September 2018, repayable in quarterly installments, starting in third quarter of 2015 with interest at EURIBOR 3 month plus margin per annum, secured by property, plant and equipment	-	1,257,950	-	-
Secured loan, due in September 2018, repayable in quarterly installments, starting in third quarter of 2015 with interest at EURIBOR 3 month plus margin per annum, secured by property, plant and equipment	-	695,700	-	-
Secured loan, due in April 2021, repayable in semi-annual installments, starting in second quarter of 2017 with interest at EURIBOR 3 month plus margin per annum, secured by inventory and property, plant and equipment	6,418,809	1,595,841	-	-
Secured loan, due in December 2019, repayable in semi-annual installments, starting in first quarter of 2015 with interest at LIBOR 3 month plus margin per annum, secured by property, plant and equipment	-	631,551	-	-

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Secured loan, due in December 2019, repayable in semi-annual installments, starting in first quarter of 2015 with interest at LIBOR 3 month plus margin per annum, secured by property, plant and equipment	-	631,551	-	-
Unsecured loan, due in September 2021, repayable in annual installments, starting in third quarter of 2020 with interest at LIBOR 3 month plus margin per annum	3,583,070	-	-	-
Secured loan, due in January 2022, repayable in semi-annual installments, starting in second quarter of 2015 with interest at LIBOR 3 month plus margin per annum, secured by trade accounts receivable and property, plant and equipment	-	750,427	-	-
Secured loan, due in January 2022, repayable in semi-annual installments, starting in second quarter of 2015 with interest at LIBOR 3 month plus margin per annum, secured by trade accounts receivable and property, plant and equipment	-	483,307	-	-
Secured loan, due in January 2022, repayable in semi-annual installments, starting in second quarter of 2015 with interest at LIBOR 3 month plus margin per annum, secured by trade accounts receivable and property, plant and equipment	-	390,330	-	-
Secured revolving loan, (EUR 66,675,129) for business acquisition due in April 2018, repayable with interest EURIBOR 1 month plus margin per annum, secured by property, plant and equipment and current assets	2,517,500	-	-	-
Secured revolving loan, (USD 141,195,349) for business acquisition due in March 2021, repayable with interest LIBOR 1 month plus margin per annum, secured by current assets	5,059,128	-	-	-
Other long-term loans	273,579	760,584	-	-
Total loans from financial institutions	55,920,005	36,528,497	12,298,815	7,968,806
Less deferred financing costs	(348,417)	(270,056)	(82,600)	(55,307)
Net loans from financial institutions	55,571,588	36,258,441	12,216,215	7,913,499
Less portion due within one year, net of related deferred financing costs	(4,403,644)	(2,118,153)	(263,075)	(184,641)
Long-term loans from financial institutions	51,167,944	34,140,288	11,953,140	7,728,858

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 2016, the Group had unutilised credit facilities totaling Baht 41,879.7 million (2015: Baht 51,216.2 million).

(c) Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	9,096	1,473	7,623	10,096	1,656	8,440
After one year but within five years	14,581	2,170	12,411	19,157	3,163	15,994
After five years	22	1	21	387	30	357
Total	23,699	3,644	20,055	29,640	4,849	24,791

(d) Debentures

As at 31 December, the Group had outstanding debentures as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
IVL - Debentures (i)	32,360,131	30,256,486	32,360,131	30,256,486
IVL Singapore - Debentures (ii)	4,928,975	4,951,529	-	-
Total	37,289,106	35,208,015	32,360,131	30,256,486

(i) IVL Debentures

As at 31 December 2016, the Company had outstanding unsubordinated and unsecured debentures totaling Baht 32,400 million (2015: Baht 30,300 million) as follows:

Debentures no.	Principal	Interest rate (% p.a.)	Term	Maturity date	Deferred debenture issuance expense	Net
	(in thousand Baht)				(in thousand Baht)	
1/2011-2	98,000	4.75 for 1st - 4th year 5.50 for 5th - 7th year	7 years	19 Oct. 18	108	97,892
1/2011-3	37,000	5.00 for 1st - 4th year 5.50 for 5th - 8th year 6.00 for 9th - 10th year	10 years	19 Oct. 21	77	36,923

Debtentures no.	Principal (in thousand Baht)	Interest rate (% p.a.)	Term	Maturity date	Deferred debenture issuance expense (in thousand Baht)	Net
1/2011-5	1,302,000	5.04	7 years	19 Oct. 18	1,442	1,300,558
1/2011-6	3,163,000	5.35	10 years	19 Oct. 21	6,542	3,156,458
1/2012-1	1,500,000	4.45 for 1st - 3rd year 5.20 for 4th - 5th year	5 years	5 Apr. 17	174	1,499,826
1/2012-2	1,250,500	5.10 for 1st - 3rd year 5.60 for 4th - 7th year 6.00 for 8th - 10th year	10 years	5 Apr. 22	1,497	1,249,003
1/2012-3	2,500,000	4.73	5 years	5 Apr. 17	291	2,499,709
1/2012-4	1,500,000	5.09	7 years	5 Apr. 19	1,102	1,498,898
1/2012-5	2,649,500	5.52	10 years	5 Apr. 22	3,173	2,646,327
2/2012-1	780,000	4.52	6 years	14 Dec. 18	564	779,436
2/2012-2	880,000	4.78	8 years	14 Dec. 20	967	879,033
2/2012-3	1,645,000	5.11	10 years	14 Dec. 22	2,177	1,642,823
2/2012-4	1,475,000	5.28	12 years	14 Dec. 24	2,174	1,472,826
1/2013-1	550,000	4.40	5 years	27 Jun. 18	583	549,417
1/2013-2	520,000	4.70	7 years	27 Jun. 20	923	519,077
1/2013-3	1,100,000	5.10	10 years	27 Jun. 23	2,543	1,097,457
1/2014-1	1,500,000	4.00	3 years	14 Mar. 17	227	1,499,773
1/2014-2	800,000	4.50	5 years	14 Mar. 19	793	799,207
1/2014-3	1,400,000	5.30	10 years	14 Mar. 24	2,272	1,397,728
1/2015-1	500,000	4.00	7 years	13 Oct. 22	751	499,249
1/2015-2	1,100,000	4.20	10 years	13 Oct. 25	1,757	1,098,243
2/2015-1	1,150,000	3.92	10 years	9 Dec. 25	1,430	1,148,570
1/2016-1	300,000	2.88	5 years	20 Oct. 21	486	299,514
1/2016-2	200,000	3.68	10 years	20 Oct. 26	331	199,669
1/2016-3	2,200,000	4.10	12 years	20 Oct. 28	3,653	2,196,347
1/2016-4	2,300,000	4.39	15 years	20 Oct. 31	3,832	2,296,168
Total	32,400,000				39,869	32,360,131
Less portion due within one year	(5,500,000)				(692)	(5,499,308)
Net	26,900,000				39,177	26,860,823

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 20 October 2016, the Company raised in cash by Baht 5,000 million, through the issue of unsubordinated and unsecured Baht debentures in a private placement (2015: Baht 2,750 million).

(ii) IVL Singapore Debentures

As at 31 December 2016, IVL Singapore PTE Limited had outstanding senior unsecured guaranteed debentures totalling Baht 4,945 million (2015: Baht 4,980 million), as follows:

Debentures no.	Principal (in thousand Baht)	Interest rate (% p.a.)	Term	Maturity date	Deferred debenture issuance expense (in thousand Baht)	Net
1/2015-1	4,944,637	3.73	10 years	7 Oct. 25	15,662	4,928,975
Total	4,944,637				15,662	4,928,975

The resolution of IVL Singapore PTE Limited (“IVLS”), 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, IVLS issued the Senior Unsecured Debenture of SGD 195 million (equivalent to USD 138 million) to institutional investors in Singapore. 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	
	2016	2015	2016	2015
	(in thousand Baht)			
USD	51,005,580	33,825,278	8,971,891	3,715,536
THB	35,162,317	35,315,929	34,263,283	34,221,412
EUR	13,777,868	9,569,529	1,341,172	1,477,037
CNY	1,200,546	1,895,821	-	-
PHP	628,293	-	-	-
GBP	272,377	354,431	-	-
IDR	27,387	-	-	-
MXN	19,247	-	-	-
TRY	7,602	-	-	-
NGN	4,332	54	-	-
INR	-	2,645,214	-	-
Total	102,105,549	83,606,256	44,576,346	39,413,985

19 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		(in thousand Baht)			
Related parties	5	865,366	124,406	-	-
Other parties		36,450,737	31,024,560	-	-
Total		37,316,103	31,148,966	-	-

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
USD	22,019,352	20,537,398	-	-
EUR	7,117,841	4,397,497	-	-
THB	5,149,902	2,858,740	-	-
CNY	1,012,878	769,802	-	-
IDR	750,331	1,299,226	-	-
MXN	417,712	267,596	-	-
DKK	390,914	430,051	-	-
PLN	165,402	168,568	-	-
TRY	114,460	147,007	-	-
NGN	72,576	16,629	-	-
GBP	45,800	92,329	-	-
PHP	12,327	12,615	-	-
INR	1	115,770	-	-
Others	46,607	35,738	-	-
Total	37,316,103	31,148,966	-	-

20 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Accrued operating expenses	2,591,950	2,657,064	13,258	19,954
Other payables	1,751,357	1,135,598	-	-
Materials price adjustments payable	1,671,229	1,716,123	-	-
Advance from customers	401,971	888,164	-	-
Interest payable	495,038	403,398	318,340	295,248
Value added tax payable	186,764	154,781	-	-
Withholding tax payable	127,848	83,068	-	-
Others	993,973	893,703	241,561	28,862
Total	8,220,130	7,931,899	573,159	344,064

21 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Statement of financial position obligations for:				
Post-employment benefits				
Thailand legal severance plan	285,497	252,668	-	-
Defined benefit plans established in Europe	1,252,906	1,029,784	-	-
Defined benefit plans established in rest of the world	469,565	496,405	-	-
Other long-term employee benefits	19,843	16,649	-	-
Total	2,027,811	1,795,506	-	-
Year ended 31 December				
Statement of income:				
Recognised in profit or loss:				
Post-employment benefits				
Thailand legal severance plan	28,988	93,572	-	-
Defined benefit plans established in Europe	190,538	164,168	-	-
Defined benefit plans established in rest of the world	68,287	60,203	-	-
Other long-term employee benefits	6,985	(469)	-	-
Total	294,798	317,474	-	-
Recognised in other comprehensive income:				
Remeasurement losses (gains):				
Actuarial losses (gains)	476,377	(274,294)	-	-
Return on plan assets excluding amounts included in interest income	(243,584)	140,540	-	-
Others	(1,894)	(993)	-	-
Total	230,899	(134,747)	-	-

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 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 2016, the weighted-average duration of the defined benefit obligation was 12 years (2015: 13 years).

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	305,340	269,317	-	-
Statement of financial position obligation	305,340	269,317	-	-

Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	269,317	150,127	-	-
Included in profit or loss:				
Current service costs	23,937	20,926	-	-
Past service costs	-	68,030	-	-
Interest on obligation	7,297	6,687	-	-
Actuarial losses (gains) for other long-term employee benefits	4,739	(2,540)	-	-
	35,973	93,103	-	-
Included in other comprehensive income				
Actuarial losses	7,930	24,978	-	-
Others				
Defined benefit obligations assumed upon acquisition of subsidiaries	-	5,911	-	-
Benefits paid by the plan	(7,880)	(4,802)	-	-
	(7,880)	1,109	-	-
Defined benefit obligations at 31 December	305,340	269,317	-	-

The expense is recognised in the following line items in the statement of income:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cost of sale of goods	24,898	56,383	-	-
Selling and administrative expenses	11,075	36,720	-	-
Total	35,973	93,103	-	-

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Demographic assumption	-	(510)	-	-
Financial assumption	(7,278)	10,495	-	-
Experience adjustment	15,208	15,043	-	-
Others	-	(50)	-	-
Total	7,930	24,978	-	-

Defined benefit plans established in Europe

The subsidiaries in Europe have established defined benefit plans that provide pension benefits for their employees upon retirement.

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 76 million in contributions to its defined benefit plans in 2017.

At 31 December 2016, the weighted-average duration of the defined benefit obligation were 7.20 to 31.00 years (2015: 6.15 to 30.00 years).

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Excess of present value of obligations over fair value of plan assets	1,310,217	1,054,596	-	-
Effect of movement in exchange rates	(57,311)	(24,812)	-	-
Statement of financial position obligation	1,252,906	1,029,784	-	-

Movement in the present value of the defined benefit obligations:

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	2,049,175	2,161,443	-	-
Included in profit or loss:				
Current service costs	139,989	146,782	-	-
Past service costs	6,001	877	-	-
Interest on obligation	61,757	48,448	-	-
Loss on settlement	22,094	-	-	-
Actuarial losses	159	2,567	-	-
	230,000	198,674	-	-
Included in other comprehensive income				
Actuarial losses (gains)	469,870	(288,575)	-	-
Others				
Defined benefit obligations assumed upon acquisition of subsidiaries	-	2,109	-	-
Benefits paid by the plan	(66,868)	(663)	-	-
Expected employees contribution	12,901	13,086	-	-
Effect of movements in exchange rates	(112,720)	(36,899)	-	-
	(166,687)	(22,367)	-	-
Defined benefit obligations at 31 December	2,582,358	2,049,175	-	-

Movement in the fair value of plan assets:

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Fair value of plan assets at 1 January	1,019,391	1,036,208	-	-
Included in profit or loss:				
Interest income	30,619	22,966	-	-
Others	(1,656)	-	-	-
	28,963	22,966	-	-
Included in other comprehensive income				
Return on plan assets excluding amounts included in interest income	244,441	(134,214)	-	-
Others				
Expected plan participant contributions	18,269	92,614	-	-
Benefits paid by the plan	(7,037)	5,145	-	-
Contribution paid into plan	80,834	8,759	-	-
Effect of movements in exchange rates	(55,409)	(12,087)	-	-
	36,657	94,431	-	-

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Fair value of plan assets at 31 December	1,329,452	1,019,391	-	-
Statement of financial position obligations at 31 December	1,252,906	1,029,784	-	-

The expense is recognised in the following line items in the statement of income:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cost of sale of goods	143,813	139,544	-	-
Administrative expenses	46,725	24,624	-	-
Total	190,538	164,168	-	-

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Demographic assumption	5,640	31,753	-	-
Financial assumption	448,785	(359,467)	-	-
Experience adjustment	15,445	39,139	-	-
Total	469,870	(288,575)	-	-

Plan assets

Plan assets comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Equity securities	3,479	23,752	-	-
Insurance contract	1,242,473	924,382	-	-
Interest bearing securities	55,667	71,257	-	-
Others	27,833	-	-	-
Total	1,329,452	1,019,391	-	-

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 6 million in contributions to its defined benefit plans in 2017.

At 31 December 2016, the weighted-average duration of the defined benefit obligation was 10.00 to 17.28 years (2015: 10.00 to 13.93 years).

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Excess of present value of obligations over fair value of plan assets	531,138	516,823	-	-
Effect of movements in exchange rates	(61,573)	(20,418)	-	-
Statement of financial position obligation	469,565	496,405	-	-

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	618,431	598,158	-	-
Included in profit or loss:				
Current service costs	33,291	34,957	-	-
Past service costs	(260)	(1,778)	-	-
Interest on obligation	32,389	30,649	-	-
Actuarial losses	8,009	4,821	-	-
	73,429	68,649	-	-
Included in other comprehensive income				
Actuarial gains	(1,423)	(10,697)	-	-
Others				
Benefits paid by the plan	(31,045)	(26,451)	-	-
Effect of movements in exchange rates	(62,349)	(11,228)	-	-
	(93,394)	(37,679)	-	-
Defined benefit obligations at 31 December	597,043	618,431	-	-

Movement in the fair value of plan assets:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Fair value of plan assets at 1 January	122,026	118,524	-	-
Included in profit or loss:				
Interest income	5,381	8,446	-	-
Others	(239)	-	-	-
	5,142	8,446	-	-
Included in other comprehensive income				
Return on plan assets excluding amounts included in interest income	(857)	(6,326)	-	-
Others				
Contributions paid into the plan	5,621	21,837	-	-
Benefits paid by the plan	(3,678)	(29,645)	-	-
Effect of movements in exchange rates	(776)	9,190	-	-
	1,167	1,382	-	-
Fair value of plan assets at 31 December	127,478	122,026	-	-
Statement of financial position obligations at 31 December	469,565	496,405	-	-

The expense is recognised in the following line items in the statement of income:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cost of sale of goods	49,503	41,830	-	-
Administrative expenses	18,784	18,373	-	-
Total	68,287	60,203	-	-

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Demographic assumption	(3,710)	3,531	-	-
Financial assumption	2,631	(22,142)	-	-
Experience adjustment	(344)	12,321	-	-
Others	-	(4,407)	-	-
Total	(1,423)	(10,697)	-	-

Plan assets

Plan assets comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Equity securities	76,460	93,690	-	-
Government bonds	-	12,837	-	-
Interest bearing securities	47,151	15,437	-	-
Others	3,867	62	-	-
Total	127,478	122,026	-	-

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(%)</i>		<i>(%)</i>	
<i>Thailand legal severance plan</i>				
Discount rate	3.05	2.80	-	-
Future salary increases	4.00-6.00	4.00-6.00	-	-
<i>Defined benefit plans established in Europe</i>				
Discount rate	1.50-11.00	2.50-10.50	-	-
Expected return on plan assets	1.90	2.50	-	-
Future salary increases	1.50-6.00	1.50-5.00	-	-
<i>Defined benefit plans established in rest of the world</i>				
Discount rate	4.25-8.60	4.50-9.00	-	-
Expected return on plan assets	4.50	6.25	-	-
Future salary increases	4.75-8.00	4.75-8.00	-	-

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

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)			
Thailand legal severance plan				
Defined benefit obligation 31 December 2016	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(14)	15	-	-
Future salary increases (0.5% movement)	15	(14)	-	-
Defined benefit plans established in Europe				
Defined benefit obligation 31 December 2016	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(169)	200	-	-
Expected return on plan assets (0.5% movement)	(5)	(4)	-	-
Future salary increases (0.5% movement)	39	(37)	-	-
Defined benefit plans established in rest of the world				
Defined benefit obligation 31 December 2016	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(25)	27	-	-
Expected return on plan assets (0.5% movement)	(1)	1	-	-
Future salary increases (0.5% movement)	16	(15)	-	-
Thailand legal severance plan				
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)	-	-
Defined benefit plans established in Europe				
Defined benefit obligation 31 December 2015	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(133)	157	-	-
Expected return on plan assets (0.5% movement)	(1)	-	-	-
Future salary increases (0.5% movement)	26	(25)	-	-
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.

22 Share capital and warrants

Movements of share capital and premium on ordinary shares during the year ended 31 December is as follow:

	Par value per share (in Baht)	Consolidated and Separate financial statements			
		Authorised		Issued and paid-up	
		share capital		share capital	
		Number	Amount	Number	Amount
(thousand shares / thousand Baht)					
At 1 January 2015					
- ordinary shares	1	5,666,010	5,666,010	4,814,257	4,814,257
Exercise of warrants	1	-	-	15	15
At 31 December 2015 and					
1 January 2016 - ordinary shares	1	5,666,010	5,666,010	4,814,272	4,814,272
Exercise of warrants		-	-	-	-
At 31 December 2016					
- 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 issue of warrants in two series to purchase the newly issued ordinary shares of the Company as follows:

1. 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.
2. 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 2016 and 2015 are as follows:

	<i>(in thousand unit)</i>
Warrants issued at 1 January 2015	481,425
<i>Less: Exercised during the year</i>	15
Warrants issued at 31 December 2015	481,410
Warrants issued at 1 January 2016	481,410
<i>Less: Exercised during the year</i>	-
Warrants issued at 31 December 2016	481,410

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.

23 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.

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.

24 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 2016 and 2015.

25 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”), Paraxylene (“PX”), isophthalic acid (“IPA”), glycol (“EOEG”) and other feedstocks (“Feedstock”)
Segment 3	Manufacture and distribution of fibers and yarns (“Fibers”)

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		Eliminations and unallocated		Total
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
(in thousand Baht)									
Revenue from sale of goods									
External revenue	132,877,303	130,640,614	48,529,515	30,921,754	73,212,721	73,135,581	-	254,619,539	234,697,949
Inter-segment revenue	2,112,202	1,193,404	45,241,557	29,038,721	78,247	83,249	(47,432,006)	-	-
Total revenue from sale of goods	134,989,505	131,834,018	93,771,072	59,960,475	73,290,968	73,218,830	(47,432,006)	254,619,539	234,697,949
Interest income	80,459	73,894	186,414	47,693	46,469	61,883	(216,539)	96,803	33,015
Net foreign exchange gain (loss)	(219,933)	(159,647)	98,265	(62,584)	132,853	79,929	284,278	295,463	300,567
Gain on a bargain purchases	-	1,166,782	6,698,607	2,458,906	-	-	-	6,698,607	3,625,688
Unallocated revenue	-	-	-	-	-	-	1,734,674	1,734,674	1,476,358
Total revenue	134,850,031	132,915,047	100,754,358	62,404,490	73,470,290	73,360,642	(45,629,593)	263,445,086	240,133,577
Cost of sale of goods	116,532,170	117,411,875	77,862,053	50,558,172	61,428,024	62,189,909	(44,126,273)	211,695,974	202,066,233
Selling and administrative expenses	8,322,978	8,102,343	6,247,904	3,123,905	4,905,110	5,207,267	(4,195,672)	15,280,320	13,440,913
Impairment losses	513,800	-	94,105	-	-	-	-	607,905	-
Depreciation and amortisation	3,505,649	3,194,750	4,859,729	3,823,039	2,673,762	2,282,843	-	11,039,140	9,300,632
Unallocated expenses	-	-	-	-	-	-	2,005,017	2,005,017	2,662,294
Total expenses	128,874,597	128,708,968	89,063,791	57,505,116	69,006,896	69,680,019	(46,316,928)	240,628,356	227,470,072

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	
	2016	2015	2016	2015	2016	2015
	<i>(in thousand Baht)</i>					
Thailand	14,789,182	14,783,380	43,877,790	37,821,493	166,485	2,459,575
North America	94,552,135	83,022,919	99,769,995	75,067,864	21,585,997	12,385,615
Europe	77,442,798	70,624,144	77,526,210	56,674,119	11,255,164	4,171,785
Rest of the world	67,835,424	66,267,506	37,206,484	52,077,139	3,841,241	7,358,523
Total	254,619,539	234,697,949	258,380,479	221,640,615	36,848,887	26,375,498

26 Other income

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Insurance claim		264,863	1,008,936	-	-
Reversal of decommissioning liabilities	14	221,232	-	-	-
Reversal of provision loss on unrecoverable advances payment for project	29	432,901	-	-	-
Others		540,466	585,819	488,997	388,081
Total		1,459,462	1,594,755	488,997	388,081

27 Cost of sale of goods

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in process	(763,968)	3,565,584	-	-
Raw materials and consumables used	165,258,034	161,171,501	-	-
Depreciation and amortisation	9,693,358	8,297,358	-	-
Others	44,010,323	35,142,757	-	-
Total	218,197,747	208,177,200	-	-

28 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Distribution	11,565,780	9,527,679	-	-
Depreciation and amortisation	1,372,072	1,028,335	-	-
Travelling expense	304,009	267,539	-	-
Insurance expense	421,930	420,233	-	-
Others	974,123	1,199,688	-	-
Total	14,637,914	12,443,474	-	-

29 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Personnel expense	2,747,583	2,437,757	-	-
Provision loss on unrecoverable advances payment for project	-	609,701	-	211,637
Professional fees	793,537	732,674	54,368	104,143
Others	3,500,004	2,956,371	6,501	13,249
Total	7,041,124	6,736,503	60,869	329,029

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 and ChemaWEyaat executed the settlement agreement on 11 July 2016 and the joint venture agreement was terminated as of the date of this settlement agreement. Consequently, both parties are released and discharged from any further obligations under the joint venture agreement.

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.

In 2016, the Group received partial reimbursement of USD 12.3 million (Baht 432.9 million) in respect of these advance payments against which provision for loss had previously been provided and recorded as other income in the consolidated statement of income for the year ended 31 December 2016.

30 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Management				
Wages and salaries	71,218	59,716	-	-
Contribution to defined contribution plans, social security and expenses related to defined benefit plans	1,978	1,864	-	-
Others	70,470	51,315	17,320	17,881
	143,666	112,895	17,320	17,881
Other employees				
Wages and salaries	12,963,731	10,804,362	-	-
Contribution to defined contribution plans, social security and expenses related to defined benefit plans	1,389,720	1,223,053	-	-
Bonus	780,778	448,708	-	-
Staff welfare	2,063,080	1,446,857	-	-
Others	26,143	34,882	-	-
	17,223,452	13,957,862	-	-
Total employee benefit expenses	17,367,118	14,070,757	17,320	17,881

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 - 15% of their basic salaries (2015: 3 - 5%) 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 2016 amounted to approximately Baht 25.7 million (2015: Baht 20.3 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 2016 amounted to approximately USD 2.7 million (Baht 95.3 million) (2015: USD 2.6 million (Baht 90.5 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 2016 was GBP 0.1 million and EUR 1.9 million (Baht 78.8 million) (2015: GBP 0.1 million and EUR 1.9 million (Baht 76.0 million)).

31 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	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Included in cost of sale of goods:</i>				
Changes in inventories of finished goods and work in process	(763,968)	3,565,584	-	-
Raw materials and consumables used	165,258,034	161,171,501	-	-
Employee benefits expense	14,475,869	11,520,105	-	-
Depreciation and amortisation expense	9,693,358	8,297,358	-	-
<i>Included in selling and administrative expenses:</i>				
Employee benefits expense	2,747,583	2,437,757	-	-
Depreciation and amortisation expense	1,372,072	1,028,335	-	-

32 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Interest expense:					
Related party	5	191	-	-	-
Financial institutions		4,600,656	3,786,636	1,931,614	1,744,299
		4,600,847	3,786,636	1,931,614	1,744,299
Less: amount included in the cost of assets under construction	14	(378,526)	(134,505)	-	-
Net		4,222,321	3,652,131	1,931,614	1,744,299

33 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		(in million Baht)			
Current tax expense					
Current year		1,374	818	-	-
Adjustment for under provided in prior years		30	9	-	-
		1,404	827	-	-
Deferred tax expense	17				
Movements in temporary differences		682	1,250	18	45
Recognition of previously unrecognised tax losses		(24)	(196)	-	-
		658	1,054	18	45
Total income tax expense		2,062	1,881	18	45

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2016			2015		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<i>(in million Baht)</i>						
Hedge of net investment in foreign operations	302	(60)	242	(144)	29	(115)
Cash flow hedges	15	(6)	9	(35)	10	(25)
Defined benefit plan actuarial gains (losses)	(231)	56	(175)	135	(38)	97
Total	86	(10)	76	(44)	1	(43)

	Separate financial statements					
	2016			2015		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<i>(in million Baht)</i>						
Hedge of net investment in foreign operations	301	(60)	241	(144)	29	(115)
Total	301	(60)	241	(144)	29	(115)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		18,421		8,769
Income tax using the Thai corporation tax rate	20.00	3,684	20.00	1,754
Income tax reduction - deferred	(2.65)	(488)	(1.00)	(88)
Effect of different tax rates in foreign jurisdictions	2.56	471	5.76	505
Income not subject to tax	(3.73)	(688)	(5.69)	(499)
Coupon payment on subordinated perpetual debentures recognised in equity	(1.15)	(211)	(2.39)	(210)
Expenses not deductible for tax purposes	0.92	169	0.73	64
Utilisation of previously unrecognised tax losses	(0.89)	(164)	(4.65)	(408)
Recognition of deferred tax assets from previously unrecognised tax losses	(0.13)	(24)	(2.24)	(196)
Current year losses for which no deferred tax asset was recognised	2.73	504	7.86	689
Under provided in prior years	0.16	30	0.10	9
Written-off unrecoverable deferred tax assets from loss carry forward	2.32	428	5.70	500
Share of losses in joint ventures	0.19	35	0.55	48
Foreign exchange differences arising from transaction of intercompany loans considered as part of net investment in foreign operation	(1.68)	(309)	3.99	350
Gain on bargain purchases	(7.27)	(1,340)	(8.27)	(725)
Change in recognition of temporary difference	0.03	6	0.42	37
Others	(0.22)	(41)	0.58	51
Total	11.19	2,062	21.45	1,881

	Separate financial statements			
	2016		2015	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		5,105		4,398
Income tax using the Thai corporation tax rate	20.00	1,021	20.00	880
Income not subject to tax	(15.52)	(792)	(14.23)	(626)
Coupon payment on subordinated perpetual debentures recognised in equity	(4.13)	(211)	(4.77)	(210)
Others	-	-	0.01	1
Total	0.35	18	1.01	45

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

34 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 as stipulated in the certificates 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 as stipulated in the certificates, 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 as stipulated in the certificates, 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					
	2016			2015		
	Promoted businesses	Non-promoted businesses	Total (a)	Promoted businesses	Non-promoted businesses	Total (a)
	<i>(in thousand Baht)</i>					
Export sales	5,377,208	21,950,583	27,327,791	6,697,834	22,131,865	28,829,699
Local sales	7,657,851	26,797,181	34,455,032	10,323,240	24,501,773	34,825,013
Total revenue	13,035,059	48,747,764	61,782,823	17,021,074	46,633,638	63,654,712

- (a) excluding revenues from foreign subsidiaries and inter-company eliminations.

35 Earnings per share

The calculations of basic and diluted earnings per share for the years ended 31 December 2016 and 2015 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	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to shareholders of of the Company	16,197,103	6,609,264	5,086,917	4,353,743
Less: coupon payment on subordinated perpetual debentures	(1,050,000)	(1,050,000)	(1,050,000)	(1,050,000)
Profit used in calculations of earnings per share	15,147,103	5,559,264	4,036,917	3,303,743
Weighted average number of ordinary shares outstanding	4,814,272	4,814,267	4,814,272	4,814,267
Earnings per share (basic and diluted) (in Baht)	3.15	1.15	0.84	0.69

The earnings per share for the year ended 31 December 2015 were corrected from previously reported in the consolidated and separate financial statements for the year ended 31 December 2015 of Baht 1.20 per share and Baht 0.73 per share, respectively, to Baht 1.15 per share and Baht 0.69 per share, respectively, due to correction for tax effect from coupon payment on subordinated perpetual debenture for the calculation of earnings per share purpose.

The management considered that the basic and diluted earnings per share for the year ended 31 December 2016 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 2016.

36 Dividends

At the meeting of the board of directors of the Company held on 11 August 2016, the board of directors approved the appropriation of interim dividend of Baht 0.30 per share, amounting to Baht 1,444.3 million. The dividend was paid to shareholders in September 2016.

At the annual general meeting of the shareholders of the Company held on 26 April 2016, the shareholders approved the appropriation of dividend of Baht 0.24 per share, amounting to Baht 1,155.4 million. The dividend was paid to shareholders in May 2016.

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.

37 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 non-controlling 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 18). 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:

	Effective interest rate (% per annum)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2016					
Current					
Short-term loans to related parties	1.32-7.94	434,186	-	-	434,186
Non-current					
Long-term loans to related party	1.32-2.39	-	127,040	-	127,040
Total		434,186	127,040	-	561,226

	Effective interest rate (% per annum)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2015					
Current					
Short-term loans to related parties	1.32-5.38	265,561	-	-	265,561
Non-current					
Long-term loans to related party	1.32-2.40	-	165,441	-	165,441
Total		265,561	165,441	-	431,002

	Effective interest rate (% per annum)	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2016					
Current					
Short-term loans to related parties	2.62-6.00	16,125,482	-	-	16,125,482
Non-current					
Long-term loans to related parties	2.62-6.20	-	-	30,585,235	30,585,235
Total		16,125,482	-	30,585,235	46,710,717

2015					
Current					
Short-term loans to related parties	2.88-6.00	11,788,515	-	-	11,788,515
Non-current					
Long-term loans to related parties	2.88-6.20	-	-	40,409,081	40,409,081
Total		11,788,515	-	40,409,081	52,197,596

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2016					
Current					
Bank overdrafts	0.63-22.00	381,168	-	-	381,168
Short-term loans from financial institutions	0.79-4.75	8,824,385	-	-	8,824,385
Short-term loans from related party	7.62-7.94	19,247	-	-	19,247
Long-term loans from financial institutions	1.60-5.00	4,403,644	-	-	4,403,644
Finance lease liabilities	3.30-20.00	7,623	-	-	7,623
Debentures	4.00-5.20	5,499,308	-	-	5,499,308

Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2016					
Non-current					
Long-term loans from financial institutions	1.60-5.00	-	49,978,185	1,189,759	51,167,944
Finance lease liabilities	3.30-20.00	-	12,411	21	12,432
Debentures	2.88-6.00	-	9,916,413	21,873,385	31,789,798
Total		19,135,375	59,907,009	23,063,165	102,105,549
2015					
Current					
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
Non-current					
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
Total		17,139,607	43,238,192	23,228,457	83,606,256

Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2016					
Current					
Long-term loans from financial institutions	2.91-4.19	263,075	-	-	263,075
Debentures	4.00-5.20	5,499,308	-	-	5,499,308
Non-current					
Long-term loans from financial institutions	2.91-4.19	-	10,860,702	1,092,438	11,953,140
Debentures	2.88-6.00	-	9,916,413	16,944,410	26,860,823
Total		5,762,383	20,777,115	18,036,848	44,576,346
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

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	2016	2015	2016	2015
		(in thousand Baht)			
United States Dollars					
Cash and cash equivalents	6	1,302,269	1,624,638	-	-
Other investments	7	4,390	172,420	-	-
Trade accounts receivable	8	18,810,252	18,463,708	-	-
Short-term loans to related parties	5	396,183	226,346	9,303,414	3,953,028
Long-term loans to related parties	5	127,040	165,441	1,128,260	825,261
Interest-bearing liabilities	18	(51,005,580)	(33,825,278)	(8,971,891)	(3,715,536)
Trade accounts payable	19	(22,019,352)	(20,537,398)	-	-
Gross balance sheet exposure (a)		(52,384,798)	(33,710,123)	1,459,783	1,062,753

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Euro					
Cash and cash equivalents	6	285,607	377,405	-	-
Other investments	7	17,723	25,569	-	-
Trade accounts receivable	8	6,557,632	2,991,658	-	-
Short-term loans to related parties	5	38,003	39,215	1,401,478	1,689,474
Long-term loans to related parties	5	-	-	2,822,980	1,821,166
Interest-bearing liabilities	18	(13,777,868)	(9,569,529)	(1,341,172)	(1,477,037)
Trade accounts payable	19	(7,117,841)	(4,397,497)	-	-
Gross balance sheet exposure (a)		(13,996,744)	(10,533,179)	2,883,286	2,033,603

- (a) As at 31 December 2016, financial assets and liabilities denominated in USD and Euro of Baht 27,102.8 million (2015: 16,404.7 million) and Baht 12,258.1 million (2015: 8,682.7 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	2016	2015	2016	2015
		(in thousand Baht)			
Pounds Sterling					
Cash and cash equivalents	6	10,987	46,768	-	-
Trade accounts receivable	8	377,581	729,583	-	-
Interest-bearing liabilities	18	(272,377)	(354,431)	-	-
Trade accounts payable	19	(45,800)	(92,329)	-	-
Gross balance sheet exposure		70,391	329,591	-	-
Nigerian Naira					
Cash and cash equivalents	6	889,703	167,016	-	-
Trade accounts receivable	8	45,646	150,168	-	-
Interest-bearing liabilities	18	(4,332)	(54)	-	-
Trade accounts payable	19	(72,576)	(16,629)	-	-
Gross balance sheet exposure		858,441	300,501	-	-
Chinese Yuan					
Cash and cash equivalents	6	148,471	168,737	-	-
Other investments	7	112,163	98,755	-	-
Trade accounts receivable	8	953,977	1,060,391	-	-
Interest-bearing liabilities	18	(1,200,546)	(1,895,821)	-	-
Trade accounts payable	19	(1,012,878)	(769,802)	-	-
Gross balance sheet exposure		(998,813)	(1,337,740)	-	-
Mexican Peso					
Cash and cash equivalents	6	33,305	83,374	-	-
Trade accounts receivable	8	201,012	265,696	-	-
Interest-bearing liabilities	18	(19,247)	-	-	-
Trade accounts payable	19	(417,712)	(267,596)	-	-
Gross balance sheet exposure		(202,642)	81,474	-	-
Polish Zloty					
Cash and cash equivalents	6	4,751	111,668	-	-
Other investments	7	382	350	-	-
Trade accounts receivable	8	45,744	87,056	-	-
Trade accounts payable	19	(165,402)	(168,568)	-	-
Gross balance sheet exposure		(114,525)	30,506	-	-
Indonesian Rupiah					
Cash and cash equivalents	6	69,673	84,061	-	-
Trade accounts receivable	8	939,221	1,059,578	-	-
Interest-bearing liabilities	18	(27,387)	-	-	-
Trade accounts payable	19	(750,331)	(1,299,226)	-	-
Gross balance sheet exposure		231,176	(155,587)	-	-
Danish Krone					
Cash and cash equivalents	6	86,227	105,497	-	-
Trade accounts receivable	8	218,654	-	-	-
Trade accounts payable	19	(390,914)	(430,051)	-	-
Gross balance sheet exposure		(86,033)	(324,554)	-	-

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
(in thousand Baht)					
Philippines Peso					
Cash and cash equivalents	6	15,747	7,350	-	-
Trade accounts receivable	8	139,944	73,123	-	-
Interest-bearing liabilities	18	(628,293)	-	-	-
Trade accounts payable	19	(12,327)	(12,615)	-	-
Gross balance sheet exposure		(484,929)	67,858	-	-
Turkish Lira					
Cash and cash equivalents	6	73	151	-	-
Trade accounts receivable	8	987,253	342,740	-	-
Interest-bearing liabilities	18	(7,602)	-	-	-
Trade accounts payable	19	(114,460)	(147,007)	-	-
Gross balance sheet exposure		865,264	195,884	-	-
Indian Rupee					
Cash and cash equivalents	6	427	307,151	-	-
Other investments	7	-	204,316	-	-
Trade accounts receivable	8	-	73,405	-	-
Interest-bearing liabilities	18	-	(2,645,214)	-	-
Trade accounts payable	19	(1)	(115,770)	-	-
Gross balance sheet exposure		426	(2,176,112)	-	-

The net position of currency swaps and forward exchange contracts at 31 December 2016 was Baht 4,304.0 million (net asset transactions) (2015: Baht 4,570.0 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.

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2016					
Financial assets/Financial liabilities measured at fair value					
Derivatives assets	1,002	-	1,002	-	1,002
Derivatives liabilities	530	-	530	-	530
Commodity hedge assets	-	-	143	-	143
Commodity hedge liabilities	-	-	2	-	2
Financial assets/Financial liabilities not measured at fair value					
Loans from financial institutions	64,777	-	64,777	-	64,777
Debentures	37,289	-	37,289	-	37,289
31 December 2015					
Financial assets/Financial liabilities measured at fair value					
Derivatives assets	556	-	556	-	556
Derivatives liabilities	661	-	661	-	661
Commodity hedge liabilities	-	-	291	-	291
Financial assets/Financial liabilities not measured at fair value					
Loans from financial institutions	48,373	-	48,373	-	48,373
Debentures	35,208	-	35,208	-	35,208

	Carrying amount	Separate financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2016					
Financial assets/Financial liabilities measured at fair value					
Derivatives assets	779	-	779	-	779
Derivatives liabilities	250	-	250	-	250
Financial assets/Financial liabilities not measured at fair value					
Loans to related parties	46,711	-	46,711	-	46,711
Loans from financial institutions	12,216	-	12,216	-	12,216
Debentures	32,360	-	32,360	-	32,360

	Carrying amount	Separate financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2015					
<i>Financial assets/Financial liabilities measured at fair value</i>					
Derivatives assets	436	-	436	-	436
Derivatives liabilities	295	-	295	-	295
<i>Financial assets/Financial liabilities not measured at fair value</i>					
Loans to related parties	52,198	-	52,198	-	52,198
Loans from financial institutions	9,157	-	9,157	-	9,157
Debentures	30,256	-	30,256	-	30,256

As at 31 December 2016 and 2015, the fair values of non-derivative financial assets and liabilities do not differ significantly from amounts recorded in the statement of financial position.

Measurement of fair values

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.

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. Substantial part of commodity futures relate to fixed price sales contract entered into with a customer for future sale.

38 Commitments with non-related parties

	Consolidated financial statements	
	2016	2015
	(in million Baht)	
Capital commitments		
<i>Contracted but not provided for:</i>		
Land and land improvements	118	128
Buildings and other construction	318	122
Machinery and equipment	5,445	2,206
Total	5,881	2,456
Future minimum lease payments under non-cancellable operating leases		
Within one year	860	948
After one year but within five years	1,955	2,016
After five years	458	766
Total	3,273	3,730
Other commitments		
Purchase orders and unused letters of credit for goods and supplies	7,651	7,198
Bank guarantees	4,561	1,795
Others	97	5
Total	12,309	8,998

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.

39 Events after the reporting period

On 17 February 2017, the board of directors proposed for the dividend payment of Baht 0.36 per share, amounting to Baht 1,733.2 million. This dividend payment is subject to the approval by the shareholders of the Company.

40 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and 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 2017, are set out below. The Group/Company does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases

TFRS	Topic
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 3 (revised 2016)	Business Combinations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 27 (revised 2016)	Evaluating the Substance of Transaction in the Legal Form of a Lease
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) <i>Employee Benefits</i> – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

The Group/Company made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.



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Indorama Ventures Public Company Limited

75/102 Ocean Tower 2, 37th Fl, Sukhumvit Soi 19 (Wattana), Asoke Road,
Klongtoey Nue Sub District, Wattana District, Bangkok 10110, Thailand
Phone : +66 2 661 6661 Fax +66 2 661 6664

www.indoramaventures.com

INDORAMA
VENTURES



INDORAMA VENTURES PUBLIC COMPANY LIMITED

75/102 Ocean Tower 2, 37th Floor, Soi Sukhumvit 19 (Wattana),
Bangkok 10110, Thailand
Telephone: +662 661 6661 Fax: +662 661 6664-5
www.indoramaventures.com

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