

Annual Report 2017

INDORAMA
VENTURES

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

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



Industry Leading R&D

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

VISION MISSION VALUES

Vision

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

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.

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.

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.



PERFORMANCE HIGHLIGHTS

PERFORMANCE HIGHLIGHTS

	USD Million		
	2015	2016	2017
Total Production (in '000 tons)	7,024	8,729	9,103
⁽¹⁾ Consolidated Sales	6,845	7,215	8,438
PET	3,845	3,825	4,295
Fibers	2,136	2,077	2,389
Feedstock	1,749	2,657	3,407
⁽²⁾ Core EBITDA	640	775	1,004
PET	247	286	296
Fibers	195	205	208
Feedstock	197	271	501
Core EBIT	368	462	647
Reported Profit before Tax	248	528	699
Reported Net profit after tax and NCI	193	459	615
Reported EPS after PERP Interest (THB)	1.15	3.15	3.98
Dividend Per Share (Announced) (THB)	0.48	0.66	1.00
Net Operating Debt to Equity	0.81	0.88	0.54

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

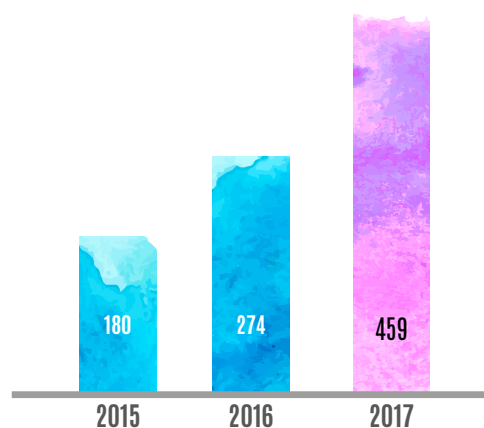
⁽²⁾ Core EBITDA is Consolidated EBITDA less Inventory gain/(loss). Segments total may not match to IVL due to holdings segment.

	USD Million		
	2015	2016	2017
Core Net Profit after Tax and NCI	180	274	459
Inventory gain (loss)	(74)	7	37
Total tax on Inventory gain/(loss)	17	(2)	(5)
Net profit, before extraordinary items	122	279	491
Add: Non Operational/Extraordinary income/(expense)	70	180	124
Acquisition cost & pre-operative expense	(5)	(5)	(16)
Gain on Bargain Purchases, impairments and feasibility study (Net)*	77	171	41
Other Extraordinary Income/(Expense)	(1)	14	99
= Net profit after tax and NCI	193	459	615

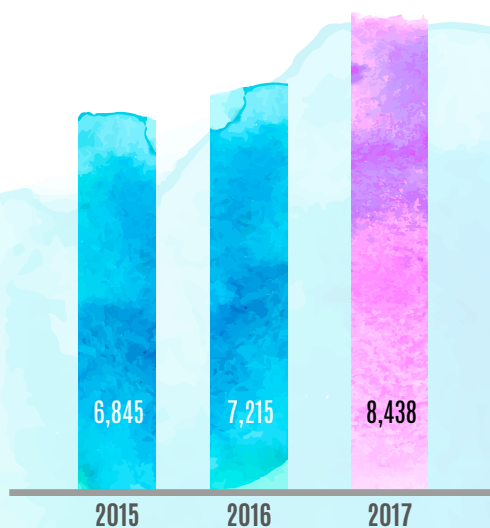
*A gain on bargain purchase needs to be accounted for on completion of any acquisition under Thai Accounting Standards.

PERFORMANCE CHARTS

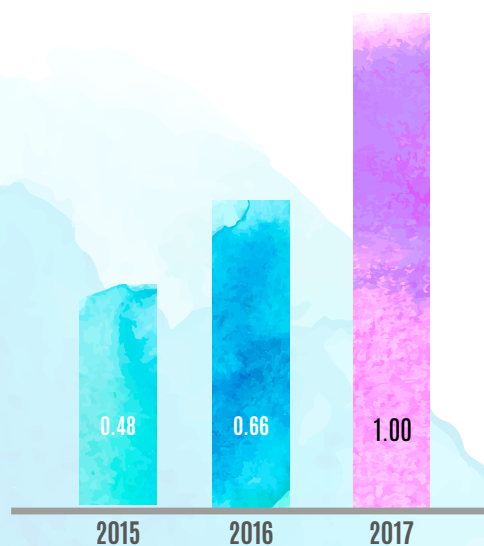
Core Net Profit after Tax and NCI
(USD Million)



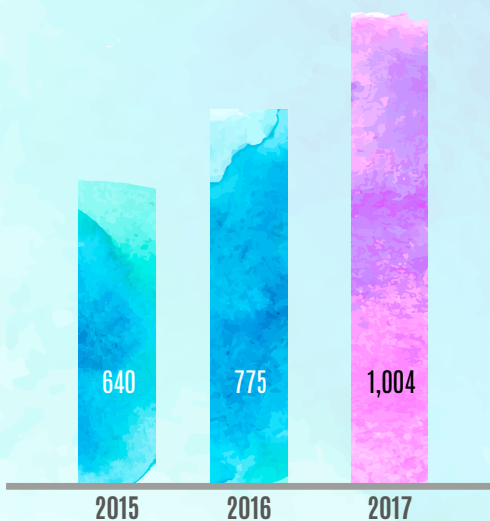
Net Sales (USD Million)



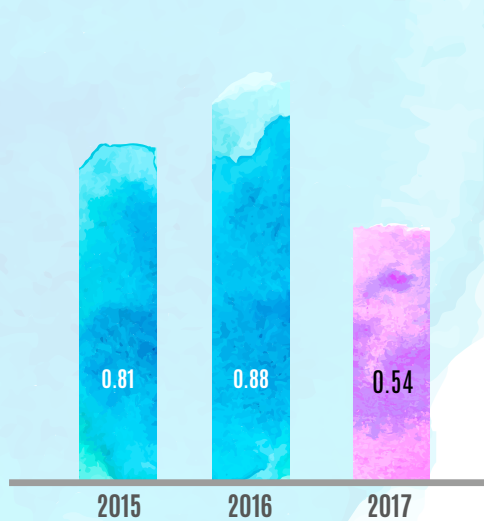
Dividend Per Share (Announced) (Baht)



CORE EBITDA (USD Million)



Net Operating Debt to Equity (times)



FINANCIAL HIGHLIGHTS

The following table sets forth summary of the consolidated financial statements of Indorama Ventures Public Company Limited from 2015 to 2017

Statements of Financial Position (Consolidated Financial Statements)

Unit: Baht million	As of December 31					
	2015	%	2016	%	2017	%
Assets						
Current assets						
Cash and cash equivalents	3,232.5	1.5	4,025.6	1.6	6,877.0	2.4
Current investments	451.8	0.2	114.7	0.0	138.0	0.0
Trade accounts receivable	27,499.6	12.4	31,085.5	12.0	32,098.2	11.4
Short-term loans to related parties	265.6	0.1	434.2	0.2	155.6	0.1
Inventories	31,785.6	14.3	40,458.9	15.7	46,036.5	16.3
Other current assets	7,313.2	3.3	8,376.4	3.2	7,647.7	2.7
Total current assets	70,548.2	31.8	84,495.3	32.7	92,953.0	32.9
Non-current assets						
Investments in joint ventures	1,962.4	0.9	5,529.8	2.1	6,247.1	2.2
Other long-term investments	119.6	0.1	90.0	0.0	14.9	0.0
Long-term loans to related parties	165.4	0.1	127.0	0.0	53.1	0.0
Property, plant and equipment	120,365.6	54.3	136,860.3	53.0	151,202.0	53.5
Goodwill	9,788.6	4.4	9,654.8	3.7	9,837.7	3.5
Other intangible assets	13,581.2	6.1	17,602.2	6.8	18,027.2	6.4
Deferred tax assets	2,686.8	1.2	2,233.5	0.9	2,620.5	0.9
Other non-current assets	2,422.9	1.1	1,787.5	0.7	1,402.8	0.5
Total non-current assets	151,092.4	68.2	173,885.2	67.3	189,405.4	67.1
Total assets	221,640.6	100.0	258,380.5	100.0	282,358.4	100.0
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	12,115.0	5.5	9,205.6	3.6	6,115.1	2.2
Trade accounts payable	31,149.0	14.1	37,316.1	14.4	39,301.4	13.9
Current portion of long-term loans from financial institutions	2,118.2	1.0	4,403.6	1.7	6,167.8	2.2
Current portion of debentures	2,898.0	1.3	5,499.3	2.1	2,728.8	1.0
Current portion of finance lease liabilities	8.4	0.0	7.6	0.0	48.5	0.0
Income tax payable	1,162.7	0.5	1,189.9	0.5	1,327.3	0.5
Other current liabilities	7,931.9	3.6	8,239.4	3.2	9,932.5	3.5
Total current liabilities	57,383.2	25.9	65,861.5	25.5	65,621.6	23.2

Unit: Baht million	As of December 31					
	2015	%	2016	%	2017	%
Non-current liabilities						
Long-term loans from financial institutions	34,140.3	15.4	51,167.9	19.8	42,329.1	15.0
Debentures	32,310.0	14.6	31,789.8	12.3	38,116.8	13.5
Finance lease liabilities	16.4	0.0	12.4	0.0	278.9	0.1
Deferred tax liabilities	11,223.1	5.1	14,796.0	5.7	13,138.6	4.7
Employee benefit obligations	1,795.5	0.8	2,027.8	0.8	2,209.6	0.8
Other non-current liabilities	1,819.3	0.8	910.0	0.4	1,677.1	0.6
Total non-current liabilities	81,304.5	36.7	100,704.0	39.0	97,750.1	34.6
Total liabilities	138,687.7	62.6	166,565.5	64.5	163,371.7	57.9
Equity						
Share capital						
Authorised share capital	5,666.0	2.6	5,666.0	2.2	5,666.0	2.0
Issued and paid-up share capital	4,814.3	2.2	4,814.3	1.9	5,245.4	1.9
Additional paid in capital:						
Share premium	29,775.1	13.4	29,775.1	11.5	44,848.2	15.9
Unrealised surpluses (deficits)						
Hedging reserve	(61.8)	(0.0)	(52.4)	(0.0)	305.1	0.1
Currency translation differences	4,658.7	2.1	1,491.2	0.6	(2,639.6)	(0.9)
Excess of cost over book value of acquired subsidiaries	(3,290.8)	(1.5)	(3,290.8)	(1.3)	(2,862.3)	(1.0)
Differences arising from common control transactions	(1,235.6)	(0.6)	(1,235.6)	(0.5)	(1,235.6)	(0.4)
Retained earnings						
Appropriated						
Legal reserve	1,989.9	0.9	2,327.1	0.9	2,956.8	1.0
Unappropriated	28,301.3	12.8	40,352.4	15.6	55,569.5	19.7
Equity attributable to shareholders	64,951.2	29.3	74,181.3	28.7	102,187.6	36.2
Subordinated perpetual debentures	14,874.1	6.7	14,874.1	5.8	14,874.1	5.3
Equity attributable to equity holders	79,825.2	36.0	89,055.4	34.5	117,061.7	41.5
Non-controlling interests	3,127.7	1.4	2,759.6	1.1	1,925.0	0.7
Total equity	82,953.0	37.4	91,814.9	35.5	118,986.7	42.1
Total liabilities and equity	221,640.6	100.0	258,380.5	100.0	282,358.4	100.0

Statements of Income (Consolidated Financial Statements)

Unit: Baht million	For the year ended as of December 31					
	2015	%	2016	%	2017	%
Income						
Revenue from sale of goods	234,697.9	100.0	254,619.5	100.0	286,332.3	100.0
Net foreign exchange gain	48.5	0.0	543.1	0.2	0.0	0.0
Interest income	166.7	0.1	124.4	0.0	102.4	0.0
Gain on a bargain purchase	3,625.7	1.5	6,698.6	2.6	3,672.7	1.3
Other income	1,594.8	0.7	1,459.5	0.6	1,160.2	0.4
Total income	240,133.6	102.3	263,445.1	103.5	291,267.7	101.7
Expenses						
Cost of sale of goods	208,177.2	88.7	218,197.7	85.7	240,888.6	84.1
Selling and administrative expenses	19,180.0	8.2	21,679.0	8.5	25,766.7	9.0
Management benefit expenses	112.9	0.0	143.7	0.0	136.9	0.0
Impairment losses	-	0.0	607.9	0.2	899.4	0.3
Net foreign exchange loss	-	0.0	-	0.0	61.9	0.0
Total expenses	227,470.1	96.9	240,628.4	94.5	267,753.5	93.5
Share of losses of investments in joint ventures, net	(242.2)	(0.1)	(173.1)	(0.1)	28.4	0.0
Profit before finance costs and income tax expense	12,421.3	5.3	22,643.7	8.9	23,542.6	8.2
Finance costs	3,652.1	1.6	4,222.3	1.7	3,864.5	1.3
Profit before income tax expense	8,769.2	3.7	18,421.3	7.2	19,678.1	6.9
Income tax expense	1,880.8	0.8	2,062.2	0.8	(1,400.2)	(0.5)
Profit for the year	6,888.4	2.9	16,359.2	6.4	21,078.3	7.4
Attributable to:						
Owners of the Company	6,609.3	2.8	16,197.1	6.4	20,882.9	7.3
Non-controlling interests	279.1	0.1	162.1	0.1	195.4	0.1
Profit for the year	6,888.4	2.9	16,359.2	6.4	21,078.3	7.4
Earnings per share (in Baht)	1.15		3.15		3.98	
Core earnings per share (in Baht)*	1.06		1.79		2.91	

*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		
	2015	2016	2017
Cash flows from operation activities			
Profit for the year	6,888.4	16,359.2	21,078.3
<i>Adjustment for</i>			
Depreciation	8,324.5	9,626.6	10,678.8
Amortisation of intangible assets and other assets	1,001.2	1,438.8	1,560.0
Interest income	(166.7)	(124.4)	(102.4)
Gain on bargain purchases	(3,625.7)	(6,698.6)	(3,672.7)
Gain on partial disposal of interest in subsidiary with a change in control	-	(30.2)	-
Share of net (profit) losses of joint ventures	242.2	173.1	(28.4)
Finance costs	3,652.1	4,222.3	3,864.5
Unrealised foreign exchange (gain) loss	129.9	(311.9)	45.1
Provision for bad and doubtful debts expenses, net	19.9	30.4	1,978.6
Reversal of losses on inventories devaluation	40.1	(67.1)	(37.4)
Provision for impairment on property, plant and equipment	8.9	501.3	427.6
Provision for impairment on intangible assets	-	106.6	-
Reversal of unrecoverable advances payment for project	609.7	(432.9)	-
Employee benefits expense	317.5	294.8	268.2
Reversal of decommissioning liabilities	-	(221.2)	-
Loss on disposal of property, plant and equipment, net	111.3	9.3	6.0
Loss on written-off of property, plant and equipment	-	-	471.8
Income tax expense	1,880.8	2,062.2	(1,400.2)
	19,434.2	26,938.3	35,137.8
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable	4,515.8	(236.1)	(895.5)
Inventories	1,168.2	(2,633.0)	(3,672.2)
Other current assets	(92.6)	(547.4)	693.9
Other non-current assets	(124.9)	(17.9)	732.1
Trade accounts payable	(1,046.8)	3,613.7	35.8
Other current liabilities	932.7	(217.6)	(897.3)
Other non-current liabilities	770.9	(504.1)	198.7
Employee benefits obligation	(117.5)	(186.9)	(178.9)
Income taxes paid	(633.8)	(1,262.8)	(2,247.4)
Net cash from (used in) operating activities	24,806.1	24,946.2	28,906.8

Unit: Baht million	For the year ended December 31		
	2015	2016	2017
Cash flows from investing activities			
Interest received	193.0	134.4	122.5
Acquisition of property, plant and equipment	(10,281.8)	(13,411.4)	(19,773.6)
Proceeds from sale of property, plant and equipment	79.1	87.1	336.6
Proceeds from sale (purchase) of other investment, net	4,868.1	361.8	51.3
Acquisition of intangible assets	(55.8)	(107.8)	(281.9)
Proceeds from sale of intangible assets	0.8	-	0.1
Net cash outflow on acquisitions of businesses	(15,267.4)	(22,239.0)	(8,453.0)
Additional investments in subsidiaries and joint ventures	(175.9)	(2,198.9)	(558.3)
Advance payment on additional investments in subsidiary and a joint venture	(412.5)	(687.4)	(229.3)
Net cash inflow on partial disposal of interest in a subsidiary with a change in control	-	552.4	-
Reimbursement for project	(247.2)	1,126.5	-
Net cash from (used in) investing activities	(21,299.5)	(36,382.2)	(28,785.7)
Cash flow from financing activities			
Interest paid	(3,646.6)	(4,340.9)	(4,425.8)
Deferred financing cost paid	(90.5)	(224.6)	(32.8)
Dividends paid to owners of the Company	(2,069.9)	(2,599.5)	(4,048.7)
Dividends paid to non-controlling interests	(58.1)	(383.5)	(134.5)
Proceeds from short and long-term borrowings	8,803.6	27,322.7	13,726.4
Repayment of short and long-term borrowings	(14,998.8)	(8,477.1)	(21,038.6)
Repayment of debenture	-	(2,900.0)	(5,500.0)
Repayment of finance leases	(7.9)	(8.6)	(25.8)
Proceeds from issue of ordinary shares due to warrants exercised	0.5	-	15,504.1
Proceeds from issue of debenture, net of debenture issuance costs	7,686.0	4,991.6	9,477.6
Coupon payment on subordinated perpetual debentures	(1,050.0)	(1,052.9)	(1,050.0)
Loans to joint ventures	(175.9)	(104.4)	277.9
Net cash from (used in) financing activities	(5,607.5)	12,222.7	2,729.9
Net increases (decreases) in cash and cash equivalents	(2,100.9)	786.7	2,851.0
Cash and cash equivalents at beginning of year	5,339.1	3,232.5	4,025.6
Effect of exchange rate changes on balances held in foreign currencies	(5.7)	6.5	0.4
Cash and cash equivalents at end of year	3,232.5	4,025.6	6,877.0



|Mr. Sri Prakash Lohia

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

On behalf of the Board, I am pleased to report on a year of important achievements. The Company turned in a superb financial performance in 2017 with year-on-year gains in each of our three major reported segments. Our portfolio today is stronger and more diverse than ever. The management team pursued a number of strategic acquisitions that will provide further opportunities for growth and innovation, while also upgrading our business profile and increasing our international presence. We appreciate that the decisions to undertake these acquisitions were made based on strict criteria, in accordance with the Company's business needs and the positive long-term impacts.

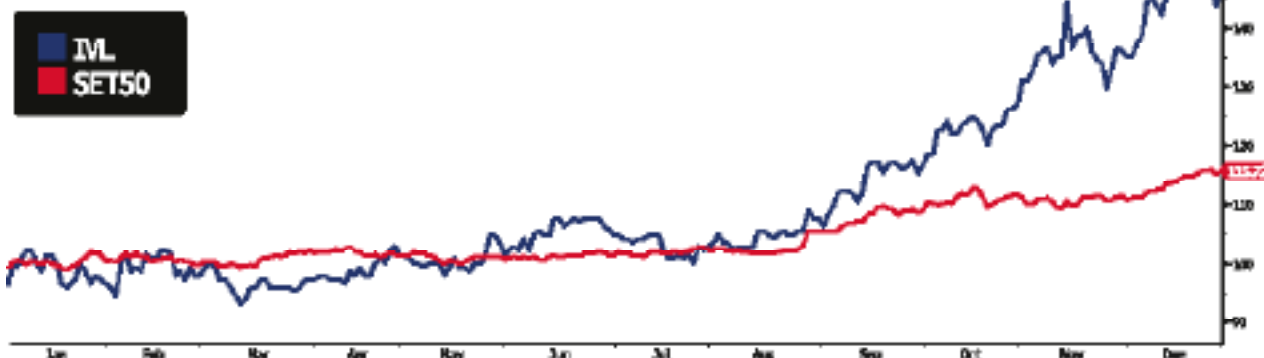
Last year also marked a number of important firsts for Indorama Ventures. In addition to delivering operating and financial performance that was the best in the history of the Company, we were listed for the first time on the Dow Jones Sustainability Index, an important recognition of our efforts in being more sustainable throughout our organization. This achievement is a

true testament to the passion of the Indorama Ventures team in their dedication to the long-term sustainability of the Company.

In addition, the Company was assessed according to the FTSE Russell criteria and become a constituent of the FTSE4Good Emerging Index, which is designed to measure the performance of companies that demonstrate strong Environmental, Social and Governance practices.

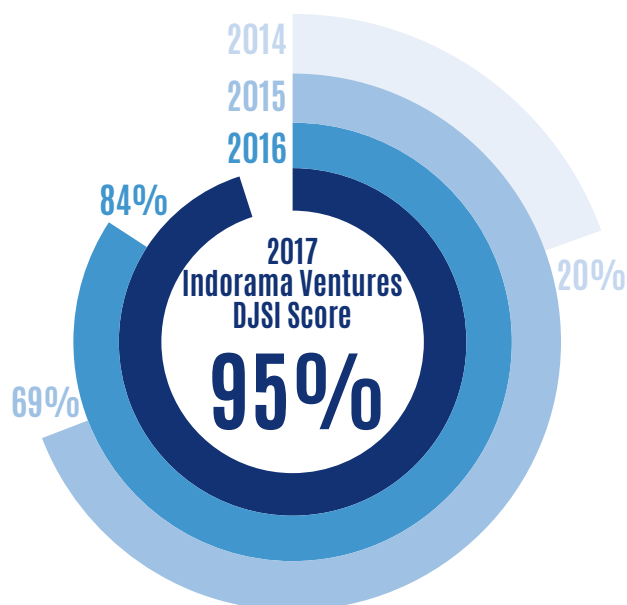
We stepped up our efforts by further investing in our customer relations and consequently achieved our highest-ever customer satisfaction score of 85.61%. In addition, our customers have shown their willingness to recommend the Company's products or services to others by rating us a score almost double that of the industry average. This is proof of our success in meeting customer needs and has encouraged the Company to continue improving our capabilities to meet customer expectations in the future.

Share Price Performance Relative to Thailand SET50 Index (Jan-Dec 2017)



Our Debut on DJSI Reflects Our Strong Delivery

Indorama Ventures Ranks as #5 of all 2017 DJSI Listed Chemical Companies



On the energy front, Indorama Ventures believes in maximizing the use of renewable resources and has already adopted solar energy, biomass and other renewable sources at some of our facilities. We are increasing the use of renewable energy across our businesses, recognizing that natural resources are finite, and the need to lower our dependency on carbon-based energy production.

We remain fully aligned with the imperatives agreed at the Paris Climate Conference (COP 21) in finding pathways towards developing low-carbon strategies. We established targets as indicated in our Climate Change Strategy 2020 Plan, which has expanded the scope of our environmental stewardship. We are also taking a more unified approach in addressing social issues further integrating our CSR activities with the business goals.

Our achievements and recognitions speak to the focused efforts of the management, together with the outstanding commitment and efforts of our employees. It is important that we build on these successes and continue "to aspire be a world-class chemical company making great products for society."

We are doing so by focusing on our long-term strategies and the sustainability of the Company; continuing to invest in opportunities that enhance our earnings and operations, and supporting our employees who have enabled us to move from success to success.

My message to our shareholders is that we aim to deliver disciplined and consistent growth, and improved returns as we have in the past, by continuing our work with transparency, effective management and governance to maintain your confidence.

I would like to thank my colleagues on the Board for their strong support commitment over the past year. Special thanks go to the management team and our wonderful – and growing – team of professionals for making 2017 a truly momentous year.

Sri Prakash Lohia
Chairman



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 18 PET production plants on four continents. The company offers PET in different grades to support a variety of customers' requirements.



|Mr. Aloke Lohia

MESSAGE FROM THE GROUP CEO

Dear Shareholders,

It gives me great pleasure to report that 2017 was an outstanding year of milestones. We achieved strong growth, strategic acquisitions, and an exceptional performance founded on previous shrewd investments under our well-articulated strategy supported by flawless execution.

This includes a doubling of EBITDA in 2017 over 2013, crossing the US\$ 1 billion threshold for the first time. In fact, our EBITDA has grown by 20% each year over the last four years with EPS growing 63% year-on-year. Throughout the year, we continued to live by the same values that have guided us since our inception: operating our business with integrity and sustainability, for which we have received widespread recognition.

In examining our long-term performance through the microscope of different measures, whether ROE, ROCE or ROA, we remain consistent in delivering incremental and consistent growth, which drives production, EBITDA, net profit and earnings per share.

Our results further reinforce the rationale of our growth strategy and the benefits of our well-diversified business model, where we have consciously chosen a prudent mix of geographies and businesses. Our strategy involves continued vertical, value chain integration, geographic expansion and product diversification into High Value-Added (HVA) categories.

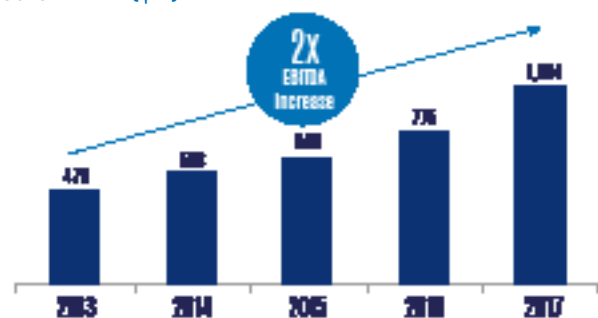
Many of our goals have been clearly defined over the last few years and we continue to meticulously move forward, accomplishing what we set out to do on our transformational journey – achieving year-by-year – our vision “to be a world-class chemical company making great products for society.”

Recognitions for Sustainability

I have consistently mentioned that sustainability remains a core commitment for Indorama Ventures in both our approach and our values. The initial listing of Indorama Ventures in the Dow Jones Sustainability Index and being ranked among the top five of all global chemical companies was therefore a welcome tribute to the work of everyone in Indorama Ventures around

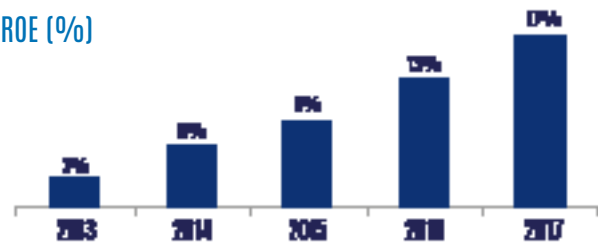
Delivering on Our Financial Plan Doubled Our EBITDA in Last 4 Years

Core EBITDA (\$M)

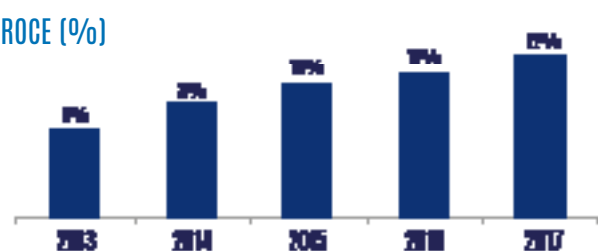


Solid Financial Performance Strong Earnings Momentum Continues

ROE (%)

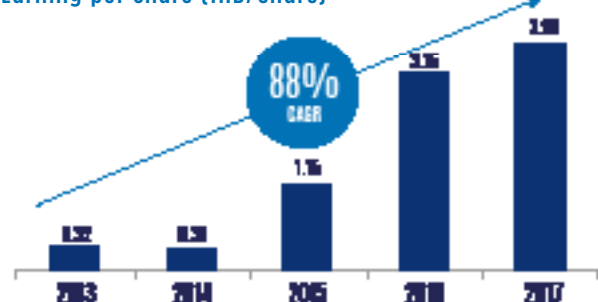


ROCE (%)



Creating Superior Shareholder Returns

Earning per share (THB/Share)



'\$' denotes U.S. dollar

the world, and a testament to our combined efforts. In addition, Indorama Ventures was listed as one of only two companies in the DJSI Emerging Markets Chemical Industry. We were also pleased to receive the distinction for excellent sustainability performance, becoming one of the top-scoring companies in the chemical industry globally and included in the 2017 edition of RobecoSAM's Sustainability Yearbook, a well known publication on corporate sustainability.

Such recognitions reflect the important efforts and passion that all of our people have put in focusing on our long-term commitment to sustainability and ensuring that our company has a truly promising future with continued outstanding performance in the areas of economic, environmental, social and corporate governance.

Path to Greater Success

Today, we are investing in a better future and aspire to be in the league of best-in-class companies globally. Satisfaction to us means continuous improvement and while we have made considerable improvements since the beginning, we plan to raise the bar ever higher. This will involve prioritizing sustainability through our proven business model which evolves with time and maintaining strong organizational agility to take advantage of opportunities as they arise – both internally as our companies leverage each other's strengths, and externally for any profitable acquisitions accretive to our bottom line.

We have set ambitious but achievable targets. These include doubling EBITDA again over the next five years, utilizing our

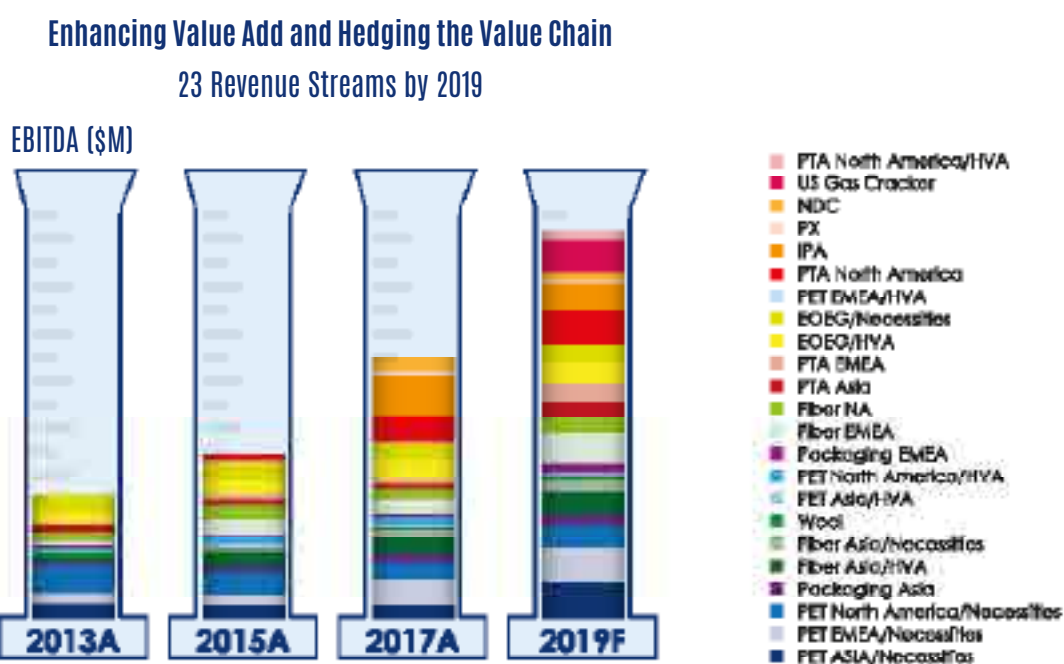
US\$ 6 billion of present investments and growing further. We will continue to seek the right opportunities to fulfil gaps which are intrinsic to our sustainable and profitable future by deploying our resources in order to support the circular economy. Such a business will allow us to continue to provide above industry returns across cycles and counter the inherent volatility in the petrochemical industry.

We are truly fortunate to have a team of over 15,000 dedicated employees in 25 countries who are strongly committed to our success and who have an abundance of talent, leading Indorama Ventures to continually outperform the industry. Under the able leadership of our Executive Directors, Mr. DK Agarwal – CEO Feedstocks and PET, Mr. Udey Gill – CEO Fibers and Mr. Sanjay Ahuja – Group CFO, they seamlessly manage our necessities and HVA businesses across the world.

Smart Growth Strategy

In 2017, we undertook a series of strategic steps to accelerate growth and further strengthening our leadership position in key businesses and markets, and put in place the long-term building blocks to ensure that we are uniquely positioned to capture further potential value and opportunities.

Our acquisition of Glanzstoff, Europe's leading tire cord manufacturer, allows us to broaden the HVA portfolio mix beyond polyester and nylon 6.6 into rayon. This is an excellent opportunity for Indorama Ventures, reinforcing our position as a leading global specialty-fiber solutions provider with a strong presence in headliner yarns, acoustic fibers and tire-cord fabrics.



Note: Core Financials

We have also pursued accretive growth opportunities in the high value-added automotive segment by acquiring DuraFiber's operations in Mexico and France. DuraFiber is a leading global producer of durable technical textiles for industrial, tire reinforcements, and specialty applications. This acquisition expands our HVA portfolio making Indorama Ventures the ideal fiber partner for the automotive industry. It also reinforces our geographic presence in the Americas and European markets. DuraFiber is the sole domestic tire cord fabric producer in Mexico with products approved by major global tire companies, and this allows strong synergies with our existing PET operations in the country. Our geographic horizon further consolidated as we followed the principle of improving customer intimacy by bringing our global resources closer to local markets and customers.

Another important step in support of our development and sustainability efforts was the completion of the brownfield expansion of the purified terephthalic acid (PTA) plant in Europe, making our Rotterdam site the most efficient integrated PET and PTA complex in Europe.

We acquired the assets of Artlant, a large PTA producer in Portugal, and Artelia, assets belonging to the adjacent utility, further boosting our presence in Europe. In addition to significant cost and operational synergies for our operational networks on the continent, the addition of Artlant, combined with our recent PTA expansion in Rotterdam, ensures that we are now well-positioned to meet growing demand for PET, polyester fibers and yarns, while ensuring a secure supply of feedstock to support future growth.

Performance Fibers, one of the most prominent polyester tire fabric businesses in China, began expanding its manufacturing line in 2017 due to increased demand from China's improving economy, and we are strengthening our position in the fast-growing Chinese tire-cord market. When this line starts in early 2018, Performance Fibers will be the largest tire-cord producer in China and Indorama Ventures will continue to be at the forefront of the industry.

The Road Ahead

Projects currently under construction and slated for completion in 2018 will add to volume and margins. These include a dual-feed cracker in the US with a capacity 450,000 tons/annum, and our PTA plant in Portugal with a capacity of 700,000 tons/annum. In Asia, the expansion of our HVA automotive fibers in China will further boost our results for the year.

In 2017, we saw the emergence of structural changes in the polyester value chain after several years of often irrational capacity build up which tore the fabric of reasonable margins

and disrupted a traditionally profitable industry driven by consumer demand. This resulted in disruption for some industry participants and disruption for several others, including some of the leading players and a meaningful lesson for all in the industry. This elongated period of disruption gave Indorama Ventures an opportunity for industry consolidation and earnings growth through earnings diversification, geographical expansion and backward integration.

I hold a positive outlook for 2018 due to a number of factors including mega-trends such as global population growth, continued urbanization, growth in the retail sector, increasing health awareness, aging populations, the push towards more lightweight vehicles, and a continued focus on sustainability, all of which should drive continued demand for our products.

I expect encouraging changes in the industry over the next few years with more changes in the industry providing further M&A opportunities. Indorama Ventures is already operating on a strong platform for future progress, with a global portfolio of markets and diversified revenue streams backed by a strong R&D platform. Global polyester demand is expected to continue to grow at around 5-6% annually while demand for high-value fibers is expected to continue to grow at a healthy rate of 6-7% annually.

A Better Future Awaits

We entered 2018 in a position of strength and we remain committed to building the momentum. We will continue to grow in major markets where we do not yet have a presence. We will further look at what is missing in our business model, where we can improve, and further unlock the untapped potential and synergies of our businesses and subsidiaries.

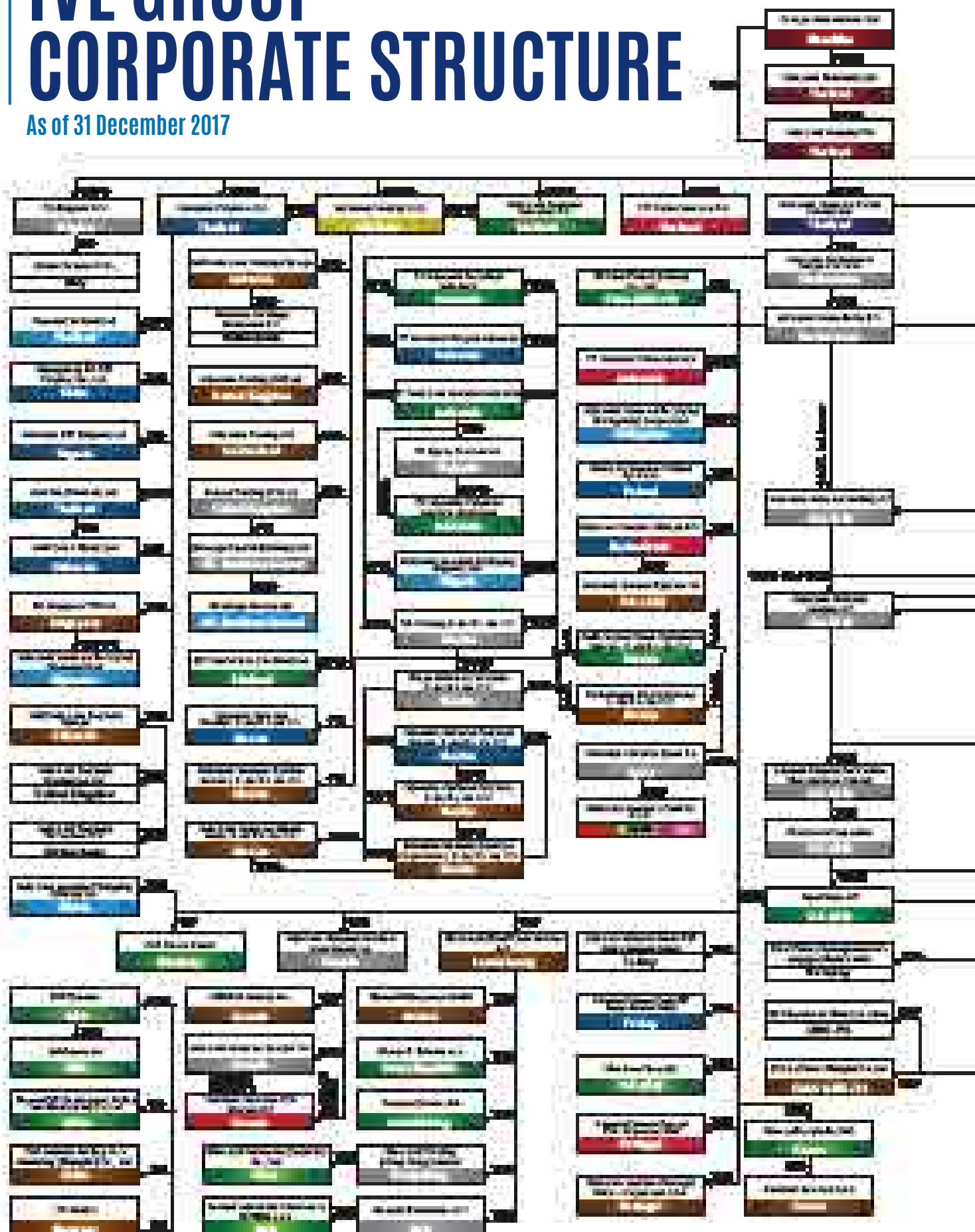
We will work harder to move closer to our customers by understanding their needs, investing more in developing innovative products and provide truly differentiating propositions. Our assets, infrastructure, footprint and teams will aim to deliver long-term value for our shareholders and the sustainability of our business.

I wish to thank all our stakeholders, shareholders, partners, customers, bankers, employees and above all, my fellow members of the Board of Directors for their ongoing support and dedication, which made this past year an unqualified success.



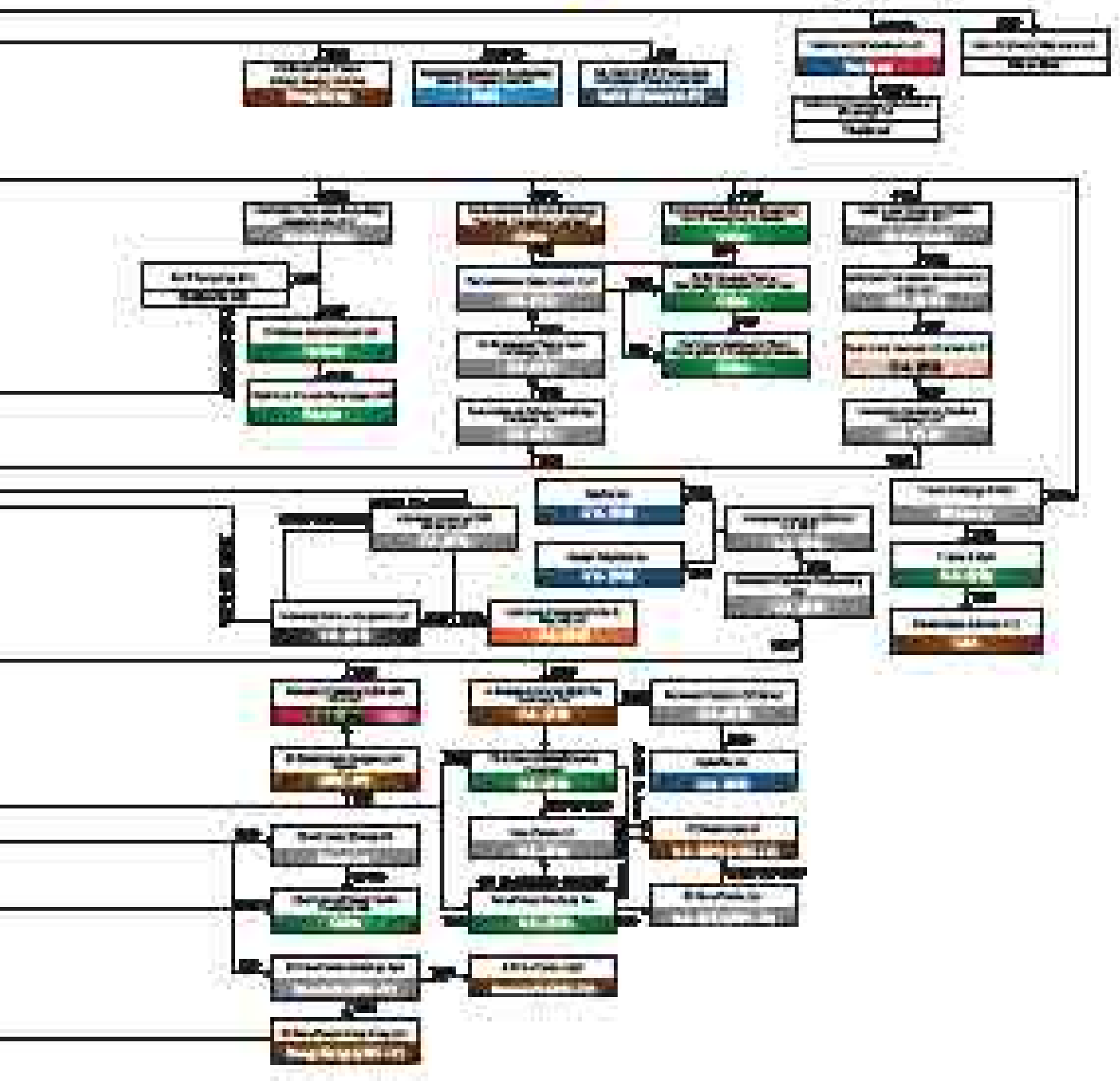
Aloke Lohia
Group CEO

As of 31 December 2017



- 1st Generation
- 2nd Generation
- 3rd Generation
- 4th Generation
- 5th Generation
- 6th Generation
- 7th Generation
- 8th Generation
- 9th Generation
- 10th Generation

- 1st Generation
- 2nd Generation
- 3rd Generation
- 4th Generation
- 5th Generation
- 6th Generation
- 7th Generation
- 8th Generation
- 9th Generation
- 10th Generation



GENERAL INFORMATION AND OTHER INFORMATION

75 operating sites



General Information

Name	: Indorama Ventures Public Company Limited
Symbol	: IVL
Head Office	: 75/102 Ocean Tower 2, 37th Floor, Soi Sukhumvit 19 (Wattana) Asoke Road, Klongtoey Nua, 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 5,245,411,431 divided into 5,245,411,431 common shares of par value at Baht 1

References

Share Registrar	: Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand Tel: 0-2-009-9999 Fax: 0-2-009-9991
Debenture Registrar	: Bangkok Bank Public Company Limited 333 Silom Road, Silom, Bangrak, Bangkok 10500, Thailand Tel: 0-2-230-1136 Fax: 0-2-626-4545-6
Debenture Registrar (For IVL Debenture No. 1/2015 Tranche 1 & 2)	: Siam Commercial Bank Public Company Limited 1060 SCB Chidlom Tower 2, 3 rd Floor, New Petchburi 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 Nua, 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 Road, 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, Yan Nawa, Sathorn, Bangkok 10120, Thailand Tel: 0-2-677-2000 Fax: 0-2-677-2222
Legal Advisor	: The Capital Law Office Limited 44 Smooth Life Tower, 18 th Floor, North Sathorn Road, Silom, Bangrak, Bangkok, 10500, Thailand Tel: 0-2-633-9088 Fax: 0-2-633-9089

25 Countries

4 Countries

AMERICA

Canada
 • Indorama Ventures PDUKadant

Mexico
 • Indorama Ventures Polymers Mexico S2
 • Indorama Ventures Ecoflex®
 • Performance Fibers Mexico Operations

USA
 • StarPet
 • AlphaPet
 • Audige Polymers®
 • Indorama Ventures (Kiosk & Qiyong)
 • FiberMakers Manufacturing®
 • FiberMakers Packaging
 • Polyamide High Performance
 • Indorama Ventures Clial®
 • Indorama Ventures Xylene & PDI

AFRICA

Ghana
 • Indorama Ventures Packaging (Ghana)

Nigeria
 • Indorama Ventures Packaging (Nigeria)

EUROPE

Czech
 • Qianxian Chemical

Denmark
 • FiberMakers

France
 • Western France Recycling
 • Qianxian Longshui

Germany
 • Breda
 • F&F Fibers

Ireland
 • Western International

Italy
 • Qianxian Industries - Stone

Luxembourg
 • Qianxian Industries - Kiosk and Qiyong

Lithuania
 • Orta Qianxian Pet

Poland
 • Indorama Ventures Poland

Portugal
 • Indorama Ventures Polymers PVA

The Netherlands
 • Indorama Ventures Europe
 • Western International

Turkey
 • Indorama Ventures Cile

UK
 • Beverage Plastic

Spain
 • Indorama Ventures Qianxian

ASIA

China
 • Qianxian TPL PET Polymer
 • FiberMakers (China) Trade Products
 • EQ FiberMakers (China)
 • Qianxian PEP (Fengcheng)
 • No Day One Manufacturing
 • Performance Fibers

India
 • PVA Chemical Polymers India Pvt. Ltd.

Indonesia
 • PT Indorama Polymers
 • PT Indorama Polymers Indonesia
 • PT Indorama Polymers Indonesia
 • PT Indorama Polymers Indonesia

Philippines
 • Indorama Ventures Packaging (Philippines)

Myanmar
 • Indorama Ventures Packaging (Myanmar)

Thailand
 • BVA (Bangkok)
 • Indorama Polymers
 • TPI Polymers
 • BVA (Bangkok)
 • AsiaPet / Indorama Polymers
 • Polymers
 • Indorama Holdings
 • Indorama Ventures Polymers (Thailand)
 • EQ FiberMakers (Thailand)

As of Dec 31, 2017

■ PET ■ Fibers ■ Fibers ■ Packaging
 ■ PDI ■ F&F ■ MC ■ BVA
 ■ Packaging ■ Bottle Fibers

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



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 has operating sites in 25 countries on four continents - Asia, Europe, North America and Africa.

INVESTMENTS OF THE COMPANY

As of 31 December 2017

EG&EO Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Ventures (Oxide & Glycols) LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1 847 943 3100 Fax: +1 847 943 3196	USA	(Membership Interest)	-	99.99%

Ethylene Cracker Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Ventures Olefins LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1 337 502 4678 Fax: N/A	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), Sukhumvit 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	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 12,770	47.25%
3	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	99.99%
4	Indorama Ventures Portugal PTA - Unipessoal, LDA. ZILS Zona 2, Lote 2E1, Monte Feio, 7520-064 Sines, Portugal Tel: +351 269 189 000 Fax: +351 269 189 099	Portugal	Quota	1	99.99%

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, Netherlands Tel: +31 181 285 400 Fax: +31 181 285 405	Netherlands	Common Share	100	99.99%
2	Indorama Petrochem Limited 75/93, Ocean Tower 2, 35 th Floor, Soi Sukhumvit 19 (Wattana), Sukhumvit 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%

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	99.99%

PTA & Paraxylene & NDC Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Ventures Xylenes & PTA LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1 302 636-5401 Fax: +1 302 636-5454	USA	(Membership Interest)	-	99.99%

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	99.91%
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	99.90%
3	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 Fax: N/A	China	(Capital Contribution)	-	99.91%

PET Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
4	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	99.91%
5	Indorama PET (Nigeria) Limited East West Expressway, Eleme, Port Harcourt, Rivers State, Nigeria Tel: N/A Fax: N/A	Nigeria	Common Share	450,000,000	89.92%
6	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	99.99%
7	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	99.99%
8	Indorama Ventures Poland Sp. z o.o. ul. Krzywa Gora 19, 87-805 Wloclawek, Poland Tel: +4854 416 6442 Fax: +4854 416 6449	Poland	Common Share	993,988	99.99%
9	Indorama Ventures Ecomex, S. de R.L. de C.V. Carretera Libre a Colotlan 6800. Colonia Extramuros. Zapopan, Jalisco, Mexico Tel: +5233 1561 3732 Fax: N/A	Mexico	Equity Quota Class I	2	51.00%
10	Indorama Ventures Polymers Mexico, 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 9177 5700 Fax: +52 55 5292 4919	Mexico	Equity Quota Class I	2	99.99%
11	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	99.99%
12	Auriga Polymers Inc. Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808 USA Tel: +1-877-738-7527 Fax: +1-980-233-6602	USA	Common Share	5,000	99.99%
13	Starpet Inc. Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808 USA Tel: +1-336-672-0101 Fax: +1-336-672-0904	USA	Common Share	5,000	99.99%

PET Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
14	IVL Dhunseri Petrochem Industries Private 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	59.94 %
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 1802	Northern Ireland	Common Share	600,000	51.00%
3	Indorama Ventures Packaging (Nigeria) Limited Eleme Petrochemicals Complex, East-West Expressway, Eleme, Rivers State, Nigeria Tel : +234 (1) 2793841 Fax: +234 (1) 2793842	Nigeria	Common Share	150,000,000	99.99%
4	Indorama Ventures Packaging (Ghana) Limited Plot 234 Meridian Rd. COMM.2 Accra, Greater Accra, BOX CO PMB 350 TEMA GA/R, Ghana Tel: +233 266082249 Fax: N/A	Republic of Ghana	Common Share	1,949,215	99.99%
5	Indorama Ventures Packaging (Philippines) Corporation Building 1, Southern Luzon Complex, Barangay Batino, Calamba City, Laguna, Philippines Tel: +63 495 303 592 / +63 495 340 036 Fax: N/A	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 Fax: N/A	Myanmar	Common Share	2,943,108	99.91%
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) Company 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	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	70,000	99.99%
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	99.99%
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, Germany Tel : +49 8234 9688 2100 Fax: +49 8234 9688 5355	Germany	Common Share	25,300	99.99%
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, People's Republic Of 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: +1-256-218-4000 Fax: +1-256-218-4062	USA	Common Share	1,000	80.00%

Fibers Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
10	SafeTweave, Inc. 302 Serrano Way, Scottsboro, AL 35769, USA Tel: +1-256-218-4000 Fax: +1-256-218-4062	USA	Common Share	1,000	80.00%
11	FiberVisions A/S Engdraget 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	99.99%
12	FiberVisions (China) Textile Products Limited No. 29 Heng Shan Rd., New District, Suzhou, China Tel: +86 512 6823 1099 Fax: +86 512 6823 0021	China	(Capital Contribution)	-	99.99%
13	ES FiberVisions (Suzhou) Company Limited 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	99.99%
15	FiberVisions Products, Inc. CT Corporation System, 289 S. Culver Street, Lawrenceville, Georgia 30046 USA Tel: +1 800 241 8922 Fax: +1 404 888 7795	USA	Common Share	25,000	99.99%
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	99.99%
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	99.99%
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)	-	99.99%
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)	-	99.99%

Fibers Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
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, People's Republic Of China Tel: + (86) 750-2201707 Fax: + (86) 750-2218093	China	(Capital Contribution)	-	99.99%
21	Glanzstoff Industries (Qingdao) Company Limited • No.1735 Maoshan Road, Huangdao District, Qingdao, Shandong Province, People's Republic Of China • Room 299, No.2877 Tuanjie Road, Huangdao District, Qingdao City, Shandong Province, People's Republic of China Tel: +86 532 80987237 Fax:+86 532 80983559	China	(Capital Contribution)	-	99.99%
22	Glanzstoff Longlaville S.A.S. Pôle Européen de Développement, 54810 Longlaville, France Tel: +33 3 82 44 80 00 Fax: +33 3 82 44 56 82	France	Common Share	3,037,323	99.99%
23	Società Industriale Cremonese SICREM s.p.a. Pizzighettone, Via G.B. Pirelli, 56, Italy Tel: +39 0372 738011 Fax: +39 0372 730001	Italy	Common Share	9,180,000	99.99%
24	Textilcord Steinfort S.A. Rue Schwarzenhof, 34 L-8452 Steinfort – GD, Luxembourg Tel: +352 399 8811 Fax: +352 399 881 213	Luxembourg	Common Share	1,000	99.99%
25	Glanzstoff - Bohemia s.r.o. Terežinská 60, 41002 Lovosice, Czech Republic Tel: +420 416 575 111 Fax: +420 416 575 107	Czech Republic	Common Share	750	99.99%
26	Winnsboro Fibres LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: + (256) 218-4006 Fax: +(256) 218-4017	USA	(Membership Interest)	-	99.99%
27	Performance Fibers Operations Mexico, S. de R.L. de C.V Av. de la Luz 77 Zona Industrial Benito Juárez, CP 76120, Querétaro, Qro., México Tel: +52 442 211 3000 Fax: N/A	Mexico	Equity Quota Class I	50,000	99.99%

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	Indorama Netherlands Cooperatief U.A. Markweg 201, 3198NB Europoort, Rotterdam, Netherlands Tel: +31 181 285 400 Fax: +31 181 285 405	Netherlands	(Ownership Interest)	-	99.99%
2	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	99.99%
3	Beacon Trading (UK) Limited 23 Northiam, Woodside Park, N 12 7ET, London, United Kingdom Tel: N/A Fax: N/A	United Kingdom	Common Share	70,000	99.81%
4	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%
5	KP Equity Partners Inc. Lot 2&3, Level 3, Wisma Lazenda, Jalan, Kemajuan, 87000 F.T. Labuan, Malaysia Tel: +087 414 073 Fax: +087 413 281	Malaysia	Common Share	10,000	99.99%
6	Trevira Holdings GmbH Max-Fischer-Strasse 11, 86399 Bobingen, Germany Tel: N/A Fax: N/A	Germany	Common Share	25,000	99.99%
7	Indorama Ventures Recycling Netherlands B.V. Markweg 201, 3198 NB Europoort, Rotterdam, Netherlands Tel: +31 181 285 400 Fax: N/A	Netherlands	Common Share	18,000	99.99%
8	Indorama Ventures Holdings LP Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1-847-943-3100 Fax: +1-847-943-3196	USA	(Partnership Interest)	-	99.99%
9	Indorama Ventures USA Holdings LP Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1-847-943-3100 Fax: +1-847-943-3196	USA	(Partnership Interest)	-	99.99%

Holding Company Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
10	Indorama Ventures Performance Fibers Holdings USA LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1 302 636-5401 Fax: +1 302 636-5454	USA	(Membership Interest)	-	99.99%
11	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	99.99%
12	FiberVisions (China) A/S Engdragnet 22, Varde Denmark, DK-6800, Denmark Tel: +45 7994 2200 Fax: +45 7994 2201	Denmark	Common Share	100,000	99.99%
13	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%
14	Indorama Ventures OGL Holdings LP Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1-847-943-3100 Fax: +1-847-943-3196	USA	(Partnership Interest)	-	99.99%
15	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)	-	99.99%
16	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%
17	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	99.99%
18	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	99.99%

Holding Company Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
19	Indorama Ventures Polyholding LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1 256 308 1180 Fax: +1 256 341 5926	USA	(Membership Interest)	100	99.99%
20	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)	-	99.99%
21	Indorama Ventures USA LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1 256 308 1180 Fax: +1 256 341 5926	USA	(Membership Interest)	-	99.99%
22	IVL Belgium N.V. Jules Bordetlaan 160, 1140 Evere, Belgium Tel: N/A Fax: N/A	Belgium	Common Share	30,615	99.99%
23	Performance Fibers Holdings Finance, Inc. 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	99.99%
24	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)	-	99.99%
25	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)	-	99.99%
26	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	99.99%
27	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	99.99%
28	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%

Holding Company Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
29	Indorama Ventures Investments USA LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1 302 636 5401 Fax: +1 302 636 5454	USA	(Membership Interest)	-	51.00%
30	Indorama Ventures Olefins Holding LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1 302 636 5401 Fax: +1 302 636 5454	USA	(Membership Interest)	-	99.99%
31	Glanzstoff Holding (Hong Kong) Limited Unit 1301, 13/F. Chung Nam Building, 1 Lockhart Road, Wanchai, Hong Kong Tel: + 852 2153 9718 Fax: +852 2117 1879	Hong Kong	Common Share	100	99.99%
32	Glanzstoff Industries S.r.l. Pizzighettone, Via G.B. Pirelli, 56, Italy Tel: +39 0372 738011 Fax: +39 0372 730001	Italy	Quota	10,000	99.99%
33	Indorama Ventures Spain S.L. Poligono Industrial Guadarranque, S/N, 11360 San Roque, Cadiz, Spain Tel: N/A Fax: N/A	Spain	Common Share	10,000	99.99%

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	4,162,124,995	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 Tel: N/A Fax: N/A	Singapore	Common Share	19,000,000	99.91%
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	99.91%
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%

Trading & Services Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
4	Indorama Trading (UK) Limited 23 Northiam, Woodside Park, N12 7ET, London, United Kingdom Tel: N/A Fax: N/A	United Kingdom	Common Share	10,000	99.81%
5	Indorama Trading AG c/o RA Mauro Locarnini, Anwaltsbüro Locarnini, Talstrasse 39, CH-8001 Zürich, Switzerland Tel: N/A Fax: N/A	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, People's Republic Of 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, People's Republic Of China Tel: +86-(0)21-6212-5877 Fax: +86-(0)21-6226-8829	China	(Capital Contribution)	-	50.00%
8	Performance Fibers (Kaiping) Trading Company Limited No.3 Hongqiao Road Kaiping, Guangdong Province, People's Republic Of China Tel: +86 750 2201707 Fax : +86 750 2218093	China	(Capital Contribution)	-	99.99%
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 Tel: N/A Fax: N/A	USA	(Membership Interest)	-	99.99%
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: +706 357 5100 Fax: +706 966 4247	USA	(Partnership Interest)	-	50.00%
13	Indorama Ventures Alphapet Holdings, Inc. Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808 USA Tel: +1 256 308 1180 Fax: +1 256 341 5926	USA	Common Share	100	99.99%

Trading & Services Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
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 33 1563732 Fax: N/A	Mexico	Equity Quota Class I	2	51.00%
16	Indorama Ventures Polycom, 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	99.99%
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	99.99%
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	99.99%
19	Performance Fibers (Hongkong) Limited Room 3B, 22 nd Floor, 148 Electric Road, North Point, Hong Kong Tel: + 852 2110 8242 Fax: + 852 2110 0033	Hong Kong	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	Hong Kong	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	99.99%

Trading & Services Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
22	Indorama Ventures Exporter Inc. Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1-980-233-8191 Fax: +1-980-233-6220	USA	Common Share	2,500	100.00%
23	Glanzstoff Services S.A.S. Pôle Européen de Développement, 54810 Longlaville Tel: +33 3 82 44 80 00 Fax: +33 3 82 44 56 82	France	Common Share	82,195	99.99%
24	Glanzstoff Industries A.G. Rue Schwarzenhof, 34 L-8452 Steinfort - GD Luxembourg Tel: +352 399 881 Fax: +352 399 881 213	Luxembourg	Common Share	960,000	99.99%
25	Glanzstoff Management GmbH Technologiezentrum, Haus C, Technopark 1, 3430 Tulln, Austria Tel: N/A Fax: N/A	Austria	Common Share	500	99.99%
26	Indorama Ventures Portugal Utility - Unipessoal, LDA. ZILS Zona 2, Lote 2E1, Monte Feio, 7520-064 Sines, Portugal Tel: +351 269 189 000 Fax: +351 269 189 099	Portugal	Quota	1	99.99%
27	Performance Fibers Services, S. de R.L. de C.V. Av. de la Luz 77 Zona Industrial Benito Juárez, CP 76120, Querétaro, Qro., México Tel: +52 442 211 3000 Fax: N/A	Mexico	Quota	50,000	99.99%

Logistic Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
1	Indorama Ventures Logistics LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA Tel: +1-847-943-3100 Fax: +1-847-943-3196	USA	(Membership Interest)	-	99.99%

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	18,002	99.91%
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	18,002	99.91%

Non-Operating Business

No.	Company Name/Address	Country	Type of Shares	Shares Issued	Shareholding
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	99.99%
4	FiberVisions Vermögensverwaltungsgesellschaft mbH Local Court of Dusseldorf, Werdener Straße 1, 40227 Düsseldorf Germany Tel: +49211 8306 0 Fax: +49 211 87565 116 0	Germany	Common Share	3,000,000	99.99%
5	ES FiberVisions China Limited No. 305, 7Sone, Trade Bldg., GuangBao Rd., Guangzhou Free Trade Zone, People's Republic Of China Tel: +86 20 8220 9018 Fax: +86 20 8220 9973	China	(Capital Contribution)	-	50.00%
6	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%
7	Ottana Polimeri S.R.L. Strada Provinciale 17, Km 18, Ottana (NU) - 08020, Italy Tel: N/A Fax: N/A	Italy	Quota	1	50.00%
8	Indorama Ventures Adana PET Sanayi Anonim Sirketi Sarihamzalı Mah.T.Cemal Beriker Blv.No:559/3A 01355 Adana/Turkey Tel: +322 441 0253-226 Fax: +322 441 0110	Turkey	Common Share	5,489,505,865	99.99%
9	Indo Polymers Mauritius Limited Les Cascades, Edith Cavell Street, Port Louis, Republic of Mauritius Tel: N/A Fax: N/A	Mauritius	Common Share	58,827	100.00%
10	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	99.99%



BOARD OF DIRECTORS

Age

65

Appointment Date of Directorship

19 September 2009

Education

- Bachelor of Commerce, Delhi University, India

Training Program

- Role of the Director and the Board Program 2017, Institute of Directors (IOD), London, UK

Working Experience (during the past 5 years)**Other Listed Companies in SET**

-None-

Other Companies and/or Organizations (as of 31 December 2017)

2014 - Present	Chairman	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	PT. Indorama Ventures Indonesia
	Commissioner	
2011 - Present	President	PT. Indorama Polyester Industries
	Commissioner	Indonesia
2011 - Present	President	PT. Indorama Polychem Indonesia
	Commissioner	
2011 - Present	President	PT. Indorama Polypet Indonesia
	Commissioner	
2011 - Present	President	PT. Indorama Petrochemicals
	Commissioner	
2009 - Present	Chairman	Indorama Corporation Pte. Ltd.
2009 - Present	President	PT. Indo-Rama Synthetics Tbk
	Commissioner	
2006 - Present	Chairman	Indorama Eleme Petrochemicals Limited

% of shareholding in IVL As of 31 December 2017

-None-

**Mr. Sri Prakash Lohia****Position****Chairman of the Board****Director Type****Non - Executive Director**



Mr. Alope Lohia

Position

Vice Chairman of the Board, Chairman of the Sustainability and Risk Management Committee and Group Chief Executive Officer

Director Type

Executive Director

Age

59

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 (DAP) Class No. 65/2007, Thai Institute of Directors, Thailand

Working Experience (during the past 5 years)

Other Listed Companies in SET

-None-

Other Companies and/or Organizations as of 31 December 2017: 23 companies

- Chairman, Director and Commissioner of other subsidiaries of Indorama Ventures Pcl.
- Director, Viraa Limited
- Director, Capialla Limited
- Director, Aurelius Holdings Limited
- Director, Vega Aviation Limited
- Director, Brookgrange Investments Limited
- Director, Auctus Holdings Limited
- Chairman, Beacon Chemicals Ltd.
- Director, VOX Investment Limited
- Chairman, Aurus Speciality Company Limited

% of shareholding in IVL As of 31 December 2017

10 shares or 0.000%

Age

53

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 (DAP) Class No. 108/2014 Thai Institute of Directors, Thailand

Working Experience (during the past 5 years)**Other Listed Companies in SET**

-None-

Other Companies and/or Organizations as of 31 December 2017: 24 companies

- Chairperson, Director and Commissioner of other subsidiaries of Indorama Ventures Pcl.
- Director, Viraa Limited
- Director, Capialla Limited
- Director, QAMA Investments Limited
- Director, Aurelius Holdings Limited
- Director, Vega Aviation Limited
- Director, Brookgrange Investments Limited
- Director, Auctus Holdings Limited
- Director, Beacon Chemicals Ltd.
- Director, VOX Investment Limited
- Director, Aurus Speciality Company Limited

% of shareholding in IVL As of 31 December 2017

-None-



Mrs. Suchitra Lohia

Position

Chairperson of the Corporate Social Responsibility Committee

Director Type

Executive Director



Mr. Amit Lohia

Position

-

Director Type

Non-Executive Director

Age

43

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 past 5 years)

Other Listed Companies in SET

-None-

Other Companies and/or Organizations (as of 31 December 2017)

2016 - Present	Director	Indorama Services UK Limited
2016 - Present	Director	Indorama Group Holdings Limited
2014 - Present	Director	Indorama Chimiques Du Senegal S.A., Senegal
2013 - Present	Vice President Commissioner	PT. Indo-Rama Synthetics Tbk
2012 - Present	Vice Chairman Director	Indorama Eleme Fertilizer & Chemicals Limited
2011 - Present	Commissioner	PT. Indorama Ventures Indonesia
2011 - Present	Commissioner	PT. Indorama Polyester Industries Indonesia
2011 - Present	Commissioner	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 Director	Indorama Corporation Pte. Ltd.
2006 - Present	Director	Indorama Eleme Petrochemicals Limited
2004 - Present	Director	Isin International Pte. Ltd.

% of shareholding in IVL As of 31 December 2017

-None-

Age

60

Appointment Date of Directorship

27 April 2010

Education

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

Training Program

- Director Accreditation Program (DAP) Class No. 65/2007 Thai Institute of Directors, Thailand
- Director Certification Program (DCP) Class No.182/2013 Thai Institute of Directors, Thailand

Working Experience (during the past 5 years)**Other Listed Companies in SET**

-None-

Other Companies and Organizations as of 31 December 2017: 42 companies

- Chairman, Vice Chairman, President, Director and Manager of other subsidiaries of Indorama Ventures Pcl.

% of shareholding in IVL As of 31 December 2017

51,570 shares or 0.001%



Mr. Dilip Kumar Agarwal

Position

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

Director Type

Executive Director



Mr. Udey Paul Singh Gill

Position

Member of The Sustainability and Risk Management Committee and Chief Executive Officer of Fibers Business

Director Type

Executive Director

Age

64

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 past 5 years)

Other Listed Companies in SET

-None-

Other Companies and/or Organizations as of 31 December 2017: 18 companies

- Chairman, President Director, Director, Chief Executive Officer and Manager of other subsidiaries of Indorama Ventures Pcl.

% of shareholding in IVL As of 31 December 2017

36,346 shares or 0.001%

Age

58

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, Faculty of Medicine Siriraj Hospital, Mahidol University, Thailand
- Bachelor's degree in 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, Thailand
- Capital Market Academy Leadership Program (Class 11), Capital Market Academy, Thailand
- Thai Institute of Directors, Thailand
 - Director Certification Program (DCP), Class No. 8/2001
 - Role of the Chairman Program, Class No. 19/2008
 - Financial Statements Demystified for Director Program, 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 2017)

- | | | |
|----------------|----------------|-----------------------------------|
| 2017 - Present | Vice President | Thai Listed Companies Association |
|----------------|----------------|-----------------------------------|

% of shareholding in IVL As of 31 December 2017

265,200 shares or 0.005%

Mr. Rathian Srimongkol

Position

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

Director Type

Independent Director





Mr. William Ellwood Heinecke

Position

Chairman of the Nomination, Compensation and Corporate Governance Committee

Director Type

Independent Director

Age

68

Appointment Date of Directorship

19 September 2009

Education

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

Training Program

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

Working Experience (during the past 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 2017)

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 Limited and its subsidiaries
Present	Director	Pacific Cross International Ltd.

% of shareholding in IVL As of 31 December 2017

2,994,932 shares or 0.057%

Age

75

Appointment Date of Directorship

27 April 2010

Education

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

Training Program

- Thai Institute of Directors, Thailand
 - Director Certification Program (DCP) Class No. 33/2003
 - Audit Committee Program Class No. 3/2004
 - Quality of Financial Reporting Program 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) Program
 - Board Failure and How to Fix it Program
 - The Responsibilities and Liabilities of Directors and Executives under the New SEC ACT (May 2008) Program

Working Experience (during the past 5 years)**Other Listed Companies in SET**

2017 - Present CIMB Thai Bank Public Company Limited
Independent Director and Chairman of Audit Committee

Other Companies and/or Organizations (as of 31 December 2017)

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

% of shareholding in IVL As of 31 December 2017

-None-

Mr. Maris Samaram

Position

**Member of the Audit Committee and
Member of the Sustainability and
Risk Management Committee**

Director Type

Independent Director





Dr. Siri Ganjarerndee

Position

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

Director Type

Independent Director

Age

69

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 (DAP) Class No. 4/2003
 - Director Certification Program (DCP) 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 past 5 years)

Other Listed Companies in SET

2015 - Present	Raimon Land PCL Independent Director and Member of the Audit Committee
2014 - Present	Samitivej PCL Independent Director and Member of the Audit Committee
2000 - Present	The Post Publishing PCL Independent Director and Chairman of the Audit Committee
1999 - Present	Bangkok Life Assurance PCL Independent Director, Chairman of the Nomination and Remuneration Committee and Member of the Executive Committee

Other Companies and/or Organizations (as of 31 December 2017)

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

% of shareholding in IVL As of 31 December 2017

-None-

Age

67

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 (DCP) 2003, Thai Institute of Directors, Thailand
- Global Leadership Development Program (GLDP) 2004, International Centre for Leadership in Finance (ICLIF), Thailand
- Capital Market Academy Leadership Program, (Class 9), Capital Market Academy, 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 2017)

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 2017

300,000 shares or 0.006%

**Mr. Kanit Si****Position**

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

Director Type

Independent Director



Mr. Russell Leighton Kekuewa

Position

Member of the Sustainability and Risk Management Committee

Director Type

Independent Director

Age

63

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) Class No. 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 2017)

2015 - Present Independent Boutique Corporation Public Company
Director and Limited
Chairman of
Nomination and
Remuneration
Committee

% of shareholding in IVL As of 31 December 2017

489,000 shares or 0.009%

Age

69

Appointment Date of Directorship

13 November 2015

Education

- M.A. (Economics), California State University, Northridge, U.S.A.
- Bachelor's Degree in Economics, Chulalongkorn University, Thailand

Training Program

- National Defence College of Thailand (Class 39), Thailand
- Thai Institute of Directors, Thailand
 - Certificate, Senior Executive Development Program Class 12
 - Director Accreditation Program (DAP) Class No. 20/2004
 - Finance for Non-Financial Director Class No. 13/2004
 - Audit Committee Program Class No. 14/2006
 - Director Certification Program (DCP) 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 Program Class No.3/2010
 - Financial Institutions Governance Program Class No.2/2011
- Certificate, Senior Executive Development Program Class 11 (2011), Capital Market Academy, Thailand

Working Experience (during the past 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 of 31 December 2017)

Present	President	Investor Club Association
2004 - Present	Member	Office of the Council of State (5 th Law Committee)

% of shareholding in IVL As of 31 December 2017

-None- (held by his spouse - 102,000 shares or 0.002%)

**Mr. Chakramon Phasukavanich****Position****Member of the Nomination, Compensation and Corporate Governance Committee****Director Type****Independent Director**



Mr. Sanjay Ahuja

Position

Chief Financial Officer

Director Type

Executive Director

Age

49

Appointment Date of Directorship

13 November 2015

Education

- Chartered Accountant, The Institute of Chartered Accountants of India, India

Training Program

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

Working Experience (during the past 5 years)

Other Listed Companies in SET

-None-

Other Companies and/or Organizations as of 31 December 2017: 10 companies

- Director of other subsidiaries of Indorama Ventures Pcl.

% of shareholding in IVL As of 31 December 2017

30,004 shares or 0.001%



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 2017, IVL's Directors are:

Name	Position	Appointment Date of Directorship
1. Mr. Sri Prakash Lohia	<ul style="list-style-type: none"> Chairman of the Board Non-executive Director 	19 September 2009
2. Mr. Alope Lohia	<ul style="list-style-type: none"> Vice Chairman of the Board Executive Director Chairman of the Sustainability and Risk Management Committee Group Chief Executive Officer 	19 September 2009
3. Mrs. Suchitra Lohia	<ul style="list-style-type: none"> Executive Director Chairperson of Corporate Social Responsibility Committee 	19 September 2009
4. Mr. Amit Lohia	<ul style="list-style-type: none"> Non-executive Director 	19 September 2009
5. Mr. Dilip Kumar Agarwal	<ul style="list-style-type: none"> Executive Director Member of the Sustainability and Risk Management Committee Chief Executive Officer of Feedstock and PET Business 	27 April 2010
6. Mr. Udey Paul Singh Gill	<ul style="list-style-type: none"> Executive Director Member of the Sustainability and Risk Management Committee Chief Executive Officer of Fibers Business 	27 April 2011
7. Mr. Rathian Srimongkol	<ul style="list-style-type: none"> Vice Chairman of the Board Independent Director Chairman of the Audit Committee Member of the Sustainability and Risk Management Committee 	19 September 2009
8. Mr. William Ellwood Heinecke	<ul style="list-style-type: none"> Independent Director Chairman of the Nomination, Compensation and Corporate Governance Committee 	19 September 2009
9. Mr. Maris Samaram	<ul style="list-style-type: none"> Independent Director Member of the Audit Committee Member of the Sustainability and Risk Management Committee 	27 April 2010
10. Dr. Siri Ganjarerndee	<ul style="list-style-type: none"> Independent Director Member of the Audit Committee Member of the Nomination, Compensation and Corporate Governance Committee 	27 April 2010
11. Mr. Kanit Si	<ul style="list-style-type: none"> Independent Director Member of the Nomination, Compensation and Corporate Governance Committee 	27 April 2010
12. Mr. Russell Leighton Kekuwa	<ul style="list-style-type: none"> Independent Director Member of the Sustainability and Risk Management Committee 	20 October 2014
13. Mr. Chakramon Phasukavanich	<ul style="list-style-type: none"> Independent Director Member of the Nomination, Compensation and Corporate Governance Committee 	13 November 2015
14. Mr. Sanjay Ahuja	<ul style="list-style-type: none"> Executive Director 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 Kekuewa and (7) Mr. Chakramon Phasukavanich and there are 2 non-executive directors, (1) Mr. Sri Prakash Lohia and (2) Mr. Amit Lohia

Roles, Duties and Responsibilities of the Board

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

Sub-Committees

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

Board Meetings

Meetings in 2017						
Name	Board of Directors (7 times)	Audit Committee (6 times)	Nomination, Compensation and Corporate Governance Committee (4 times)	Sustainability and Risk Management Committee (2 times)	Independent Directors (1 time)	AGM 2017
1. Mr. Sri Prakash Lohia	5/7	-	-	-	-	1/1
2. Mr. Alope Lohia	7/7	-	1/1*	1/2	-	1/1
3. Mrs. Suchitra Lohia	6/7	-	-	-	-	1/1
4. Mr. Amit Lohia	5/7	-	-	-	-	0/1
5. Mr. Dilip Kumar Agarwal	7/7	-	-	2/2	-	1/1
6. Mr. Udey Paul Singh Gill	7/7	-	-	2/2	-	1/1
7. Mr. Rathian Srimongkol	7/7	6/6	-	2/2	1/1	1/1
8. Mr. William Ellwood Heinecke	4/7	-	4/4	-	1/1	1/1
9. Mr. Maris Samaram	7/7	6/6	-	2/2	1/1	1/1
10. Dr. Siri Ganjarerndee	7/7	5/6	4/4	-	1/1	1/1
11. Mr. Kanit Si	7/7	-	4/4	-	1/1	1/1
12. Mr. Russell Leighton Kekuewa	6/7	-	-	2/2	1/1	1/1
13. Mr. Chakramon Phasukavanich	6/7	-	3/3**	-	1/1	1/1
14. Mr. Sanjay Ahuja	7/7	-	-	-	-	1/1

* Mr. Alope Lohia resigned as a member of Nomination, Compensation and Corporate Governance Committee and was appointed as an advisor to the Committee on 17th February 2017.

** Mr. Chakramon Phasukavanich was appointed as the Member of Nomination, Compensation and Corporate Governance Committee on 17th February 2017.

Executives

As of 31 December 2017, IVL's executives are:

Name	Position
1. Mr. Alope Lohia	Group Chief Executive Officer
2. Mrs. Suchitra Lohia	Chairperson of Corporate Social Responsibility Committee

Name	Position
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 Kumar Sharma	Head of Account
7. Mr. Souvik Roy Chowdhury	Company Secretary and VP 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, 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 laws are as follows:

- Preparing and keeping the following documents
 - Register of Directors
 - Notice of Board of Directors Meeting, Minutes of Board of Directors Meeting and annual report
 - Notice of the Shareholders' Meeting and Minutes of Shareholders' Meeting
- 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;
- 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' Meetings 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 (both Thai and English)*.
- 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.
- Support directors to ensure that all directors have sufficient information and knowledge to fulfill their roles and responsibilities effectively and report it on the annual report*.
- Frequently develop and update the knowledge relating to company secretary duties*.

*Adding the duties of the Company Secretary in accordance with the Corporate Governance Codes for Listed Companies 2017 issued by The Securities and Exchange Commission and approved by the Board of Directors at their meeting No. 2/2018 held on February 20, 2018.

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 "Personnel" Section of this report.



MAJOR SHAREHOLDERS

SHAREHOLDERS

Indorama Ventures Public Company Limited

Major Shareholders

(as of December 31, 2017)¹

Top Ten Major Shareholders

No.	Shareholders	No. of Shares	%
1.	Indorama Resources Limited ²	3,325,642,213	63.40
2.	Thai NVDR Ltd.	383,289,457	7.31
3.	Bangkok Bank PCL. ³	253,199,038	4.83
4.	Canopus International Limited ²	130,000,000	2.48
5.	State Street Europe Limited	62,343,835	1.19
6.	GIC Private Limited	56,032,090	1.07
7.	HSBC (Singapore) Nominees Pte. Ltd.	39,366,752	0.75
8.	Chase Nominees Limited	33,540,362	0.64
9.	GPF (EQ-TH)	22,970,600	0.44
10.	UBS AG Singapore Branch	20,421,258	0.39

Remarks: ¹ The Company Secretary has updated the list of major shareholders of the Company to Board of Directors and senior managements every quarter.

² Group of Lohia Family

- Indorama Resources Limited*
- Canopus International Limited**
- Mr. Alope Lohia
- Mr. Anuj Lohia

No. of Shares	%
3,325,642,213	63.40
130,000,000	2.48
10	0.00
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 the remaining voting rights of 24% and 50% of equity interest is effectively controlled and held for the benefit of Mr. Sri Prakash Lohia and his immediate family.

³ Group of Bangkok Bank

- Bangkok Bank PCL.
- Bangkok Insurance PCL.

No. of Shares	%
253,199,038	4.83
449,944	0.01

IVL GLOBAL AWARDS 2017

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

- A member of 2017 DJSI Emerging Markets Chemicals Industry
- Ranked among Top Five of all global chemical companies



A constituent of:

- The 2017 FTSE4Good ASEAN5 Index
- The 2017 FTSE4Good Emerging Index



- 2017 Climate Change Rating - B



Gold Recognition:

- Ranked among TOP 3% of suppliers in all categories

Bloomberg

Leading in SET50 Index:

- 2017 Bloomberg ESG Disclosure Scores



Scan the QR Code
to see all awards



Awards:

- SET Sustainability Awards 2017 Rising Star
- Thailand Sustainability Investment 2017

For more information please go to
Sustainability and Corporate
Social Responsibility
at Indorama Ventures
page 169



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

Group Strategy

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 75 sites¹ in 25 countries across four continents, we supply our products to customers in nearly every part of the world.

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.

It is estimated that in 2030, the world population will reach 8.4 billion people (according to third party sources). 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.

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 strategy 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 440kt pa Louisiana-based gas cracker which is under refurbishment following our acquisition in 2015. We expect a commercial restart by second quarter of 2018.

Geographic Diversification

Diversifying our customer mix, both geographically and through

¹ As on Dec 2017



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 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 seat belts. 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

Formerly known as Beacon Global Limited, the company 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, Fibers 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 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-the-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, we entered into the Middle East following the acquisition of two PET plants in Turkey, one in the south and one in north of the country. In May 2015, the Group also acquired a stake in Bangkok Polyester Public Company Limited, a PET producer in Thailand that 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. 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 2017, our HVA portfolio represented 20% of production and 53% of consolidated core EBITDA. Core EBITDA is calculated as book EBITDA minus inventory gains or losses and 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 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 under the ticker symbol IVL. The company soon 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.

Warrants IVL-W1 Exercised

Upon conversion IVL-W1 till the last exercise date which was on 24 August 2017, the paid-up capital of the Company increased to Baht 5,244,965,472 representing 5,244,965,472 ordinary shares.

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	<ul style="list-style-type: none"> Incorporation of Beacon Global Limited (subsequently re-named Indorama Ventures PCL in 2008). First major international expansion with the acquisition of StarPet PET plant in Asheboro, North Carolina. 	Thailand	Holding Company
		US	PET
2006	<ul style="list-style-type: none"> Acquisition of a 94.57% interest in Indorama Holdings Ltd. from an entity controlled by Mr. Alope Lohia. Expansion into Europe with the establishment of Orion Global PET plant in Klaipeda, Lithuania. 	Thailand	Wool/ Holding Company
		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. 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/ UK	PET
		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. Alope 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. 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
		Thailand	Polyester
September - October 2008	The Company acquired a 100% equity interest in Indorama Petrochem Ltd. from various parties.	Thailand	PTA
October 2008	The Company acquired an additional 3.94% of the outstanding shares of Indorama Polymers PCL from DEG, thereby increasing 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

Year	Event	Location	Business
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
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. 	Nigeria	PET
	<ul style="list-style-type: none"> 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. 	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

Year	Event	Location	Business
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. 	China	PET
	<ul style="list-style-type: none"> 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. 	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. 	Indonesia / Poland	Polyester / PET
	<ul style="list-style-type: none"> 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. 	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
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. 	Thailand	Corporate
	<ul style="list-style-type: none"> Announced capacity expansion by 300,000 tpa for PET at an existing site in Purwakarta, Indonesia. 	Indonesia	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

Year	Event	Location	Business
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, Netherlands 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
	<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

Year	Event	Location	Business
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	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	
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	Corporate PX
		Abu Dhabi	
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	Air bags & Tire cord yarns
		US China	
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.	Republic of Ghana	Packaging
		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

Year	Event	Location	Business
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
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. 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. 	Turkey Canada	PET 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	The establishment of three new subsidiaries: <ul style="list-style-type: none"> Indorama Ventures Dutch Investments B.V. Indorama Ventures Investments USA LLC Indorama Ventures Olefins LLC 	The Netherlands US US	Holding Company Ethylene Cracker
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 Indorama Ventures Olefins Holding LLC 	Spain US	PET, PTA and IPA Holding Company

Year	Event	Location	Business
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
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 China	Polyester Trading Business
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 Germany	Air bags & Tire cord yarns 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 China	PET Polyester

Year	Event	Location	Business
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
May 2017	Acquisition of 100 per cent. stake of Glanzstoff Group (Glanzstoff), a tire cord business in Luxembourg, Italy ,the Czech Republic and China. The Glanzstoff acquisition provides a strategic fit to the automotive segment in the HVA portfolio with a capacity of 36,300 tonnes per annum.	Luxembourg Italy Czech Republic China	Tire cord
May 2017	Acquisition of balance 25 per cent. stake of Trevira Holdings GmbH (Trevira) in Germany. With this acquisition, IVL will hold 100% of Trevira. Trevira is a leading brand of specialty polyester fibers globally.	Germany	Polyester
September 2017	Acquisition of 100 per cent. stake of DuraFiber Technologies México Operations, S. A. DE C. V. ("DuraFiber"), a tire cord business with a capacity of 22,400 tonnes per annum	Mexico	Tire cord
October 2017	Acquisition of 100 per cent. stake of DuraFiber Longlaville, France a tire cord business with a capacity of 35,000 tonnes per annum	France	Tire cord
November 2017	Acquisition of the PTA assets of Artlant PTA S.A. and the adjacent utility assets of Artelia Ambiente, S.A. in Portugal	Portugal	PTA

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-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.

In 2017, the total number of IVL-W1 exercised from October 2014 till the last exercise on 24 August 2017 is 430,708,227 Warrants, representing 89.47% of the total Warrants issued. The unexercised (IVL-W1) Warrants has expired and delisted on 25th August 2017. The Company will use this inflow of funds to reduce its debt and pursue future growth opportunities.

In October 2017, TRIS Ratings (a strategic partner of S&P Global) ascribed the Company's rating at "A+". They also upgraded the outlook of IVL to "Positive" from "Stable" reflecting the Company's successful strategy and future potential.

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	72.60
Asia Pet (Thailand) Ltd.	Thailand	Manufacture of amorphous chips	99.90
Indorama Polyester Industries PCL	Thailand	Manufacture of PET	64.94
StarPet Inc.	United States	Manufacture of PET (bottle-grade resin chips)	99.99
UAB Orion Global Pet	Lithuania	Manufacture of PET (bottle-grade resin chips)	99.91
Indorama Polymers Workington Ltd.	United Kingdom	Manufacture of PET (bottle-grade resin chips)	99.59
Indorama Ventures Europe B.V.	The Netherlands	Manufacture of PET (bottle-grade resin chips)	99.99
AlphaPet Inc.	United States	Manufacture of PET (bottle-grade resin chips)	99.99
Indorama Ventures Polymers Mexico, S. de R.L. de C.V.	Mexico	Manufacture of PET (bottle-grade resin chips)	99.99
Indorama PET (Nigeria) Ltd.	Nigeria	Manufacture of PET (bottle-grade resin chips)	89.92

Name	Country	Type of business	% of Shareholding
Guangdong IVL PET Polymer Company Limited	China	Manufacture of PET (bottle-grade resin chips)	99.91
Auriga Polymers Inc.	United States	Manufacture of PET (bottle-grade resin chips) and Polyester Fibers	99.99
Petform (Thailand) Ltd.	Thailand	Manufacture of PET preforms, closures and blown bottles	59.94
Indorama Ventures Poland Sp.z.o.o.	Poland	Manufacture of PET (bottle-grade resin chips)	99.99
PT Indorama Ventures Indonesia	Indonesia	Manufacture of PET	99.99
PT Indorama Polypet Indonesia	Indonesia	Manufacture of PET	99.99
Beverage Plastics Limited	United Kingdom	Manufacture of PET preforms, bottles and closures	51.00
Aurus Packaging Limited (Renamed to Indorama Ventures Packaging (Nigeria) Limited)	Nigeria	Manufacture of PET preforms, bottles and closures	99.99
Indorama Ventures Packaging (Philippines)	The Philippines	Manufacture of PET preforms, bottles and closures	99.99
Indorama Ventures Packaging (Ghana) Limited	Republic of Ghana	Manufacture of PET preforms, bottles and closures	99.99
Indorama Ventures Adana PET Sanayi Anonim Şirketi	Turkey	Manufacture of bottle-grade resin chips	99.99
Indorama Ventures Packaging (Myanmar) Limited	Myanmar	Manufacture of PET preforms	99.91
Indorama Ventures Corlu PET Sanayi A.Ş.	Turkey	Manufacture of PET	99.99
Indorama Petrochem Ltd.	Thailand	Manufacture of PTA	99.99
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	99.99

Fibers

Name	Country	Type of business	% of Shareholding
Indorama Polyester Industries PCL	Thailand	Manufacture of polyester fibers and yarns	64.94
PT Indorama Ventures Indonesia	Indonesia	Manufacture of polyester filament, yarns and PET	99.99
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	99.99
Wellman International Limited	Ireland	Manufacture of polyester fibers and other recycling products	99.99
Wellman France Recyclage SAS	France	Manufacture of flakes and other recycling products	99.99
PHP Fibers Inc.	United States	Manufacture of polyester fibers and yarns	80.00
Auriga Polymers Inc.	United States	Manufacture of polyester fibers and yarns	99.99
FiberVisions Manufacturing Company	United States	Manufacture of polypropylene fibers and yarns	99.99
FiberVisions Products, Inc.	United States	Manufacture of polypropylene fibers and yarns	99.99
FiberVisions A/S	Denmark	Manufacture of polypropylene fibers and yarns	99.99
FiberVisions (China) Textile Products Limited	China	Manufacture of polypropylene fibers and yarns	99.99
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
Indorama Ventures Polymers Mexico, S. de R.L. de C.V.	Mexico	Manufacture of polyester fibers and yarns	99.99
Performance Fibers (Kaiping) Company Limited	China	Manufacture of polyester tire cord fabric	99.99
Performance Fibers (Kaiping) No.2 Company Limited	China	Manufacture of industrial fibers and fabrics	99.99
Performance Fibers (Kaiping) No.3 Company Limited	China	Manufacture of industrial fibers and fabrics	99.99
Trevira GmbH	Germany	Manufacture of polyester fibers and yarns	99.99
Textilcord Steinfurt S.A. (Glanzstoff)	Luxembourg	Manufacture of tire cords	99.99
Glanzstoff - Bohemia s.r.o.	Czech Republic	Manufacture of tire cords	99.99
Società Industriale Cremonese SICREM s.p.a. (Glanzstoff)	Italy	Manufacture of tire cords	99.99
Glanzstoff Industries (Qingdao) Company Limited (Glanzstoff)	China	Manufacture of tire cords	99.99
Glanzstoff Longlaville S.A.S. (Durafiber)	France	Manufacture of tire cords	99.99
Performance Fibers Operations Mexico, S. de R.L. de C.V. (Durafiber)	Mexico	Manufacture of tire cords	99.99

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 Ventures Europe B.V.	The Netherlands	Manufacture of PTA	99.99
Indorama Ventures (Oxide & Glycols) LLC	United States	Manufacture of EO and EG	99.99
Indorama Ventures PTA Montréal LP	Canada	Manufacture of PTA	99.99
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	99.99
Indorama Ventures Química S.L.U. (CEPSA Spain)	Spain	Manufacture of integrated PET, PTA and IPA	99.99
Indorama Ventures Portugal PTA - Unipessoal, LDA.	Portugal	Manufacture of PTA	99.99





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, 2015 to 2017, are as follows:

Details	Year Ended December 31					
	2015		2016		2017	
	(Bt million)	%	(Bt million)	%	(Bt million)	%
Revenue breakdown by Business Segments						
PET	131,834	56	134,990	53	145,760	51
Fibers	73,219	31	73,291	29	81,065	28
Feedstock	59,960	26	93,771	37	115,161	40
Eimination	(30,315)	(13)	(47,432)	(19)	(55,655)	(19)
Consolidated revenue from sale of goods	234,698	100	254,620	100	286,332	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, 2015 to 2017 are as follows:

Details	Year Ended December 31					
	2015		2016		2017	
	(Bt million)	%	(Bt million)	%	(Bt million)	%
Revenue breakdown by Geographic Segments*						
Thailand	14,783	6	14,789	6	17,832	6
North America	83,023	36	94,552	37	105,568	37
Europe	70,624	30	77,443	30	92,075	32
Rest of the World	66,268	28	67,836	27	70,866	25
Consolidated revenue form sale of goods	234,698	100	254,620	100	286,332	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 75 sites in 25 countries across four continents (as of December 31, 2017) 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 are aligned to create a sustainable value proposition. IVL's customer orientation, global reach and scale allow us to benchmark ourselves globally to enhance operational excellence.

The new factor that will provide a broader portfolio of products for customers is in innovation, high value-added products and recycling, which will enable faster earnings growth and enhanced sustainability of the business. Investment in research and development 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 2011-2017, 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 CEPSA 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.

Glanzstoff: A largest converter for tire cord fabrics in Europe, a global leader in single-endcords (SEC) and is vertically integrated into high tenacity rayon technology. The business comprises three locations in Europe, at Luxembourg, Italy and the Czech Republic, with a new single-end-tire cord plant under construction in Qingdao, China.

DuraFiber: A leading producer of durable technical textiles for industrial, tire reinforcement, and specialty applications globally. The principal operating unit is in Mexico and France.

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 in 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 always 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 or tight supplies in the industry in the short-term.

PET Business

PET Business Overview

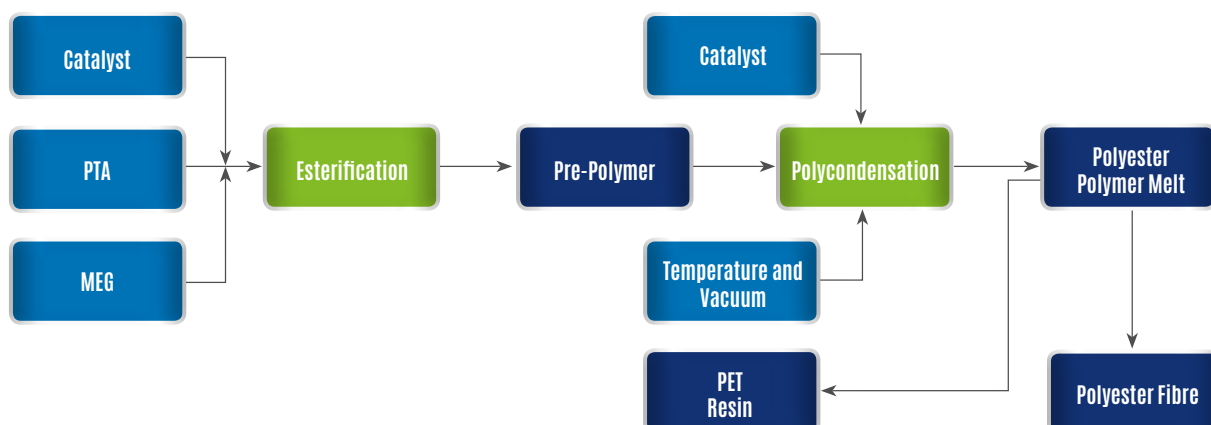
Our PET business is part of our core polyester value chain business and comprised 41% of production volumes in 2017. Beginning with one manufacturing plant, we have grown today to operate across the four major consuming continents of North America, Europe, Africa and Asia. Our PET business comprises 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, 2017, 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.

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, 2017.

Production Facility	Location	Installed Capacity ⁽¹⁾ ('000 tons per annum)
AlphaPet PET Facility	Decatur, Alabama, US	450
StarPet PET Facility	Asheboro, North Carolina, US	266
Orion Global PET Facility	Klaipeda, Lithuania	263
IRP Rotterdam PET Facility	Rotterdam, the Netherlands	426
IRP/AsiaPet PET Facilities ⁽²⁾	Lopburi, Thailand	184
Indorama Polyester Industries PET Resin Line	Map Ta Phut, Thailand	110
GIVL PET Facility	Kaiping, China	523
Arteva PET Facility	Queretaro, Mexico	484
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	95
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	121
Micropet ⁽³⁾	India	219
Dhunseri ⁽³⁾	India	480
CEPSA Spain	Spain	203
Packaging Facility	Various sites	182
Total		4,952

(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 184 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.

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 Far Eastern 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.

The acquisition of Glanzstoff in 2017 enhanced the offering of fibers in the automotive space with Rayon fiber. It also makes composite fibers for the automotive sector. This acquisition enhances our strategic position in automotive fibers as now it can offer a suite of products to the same or similar group of customers.

DuraFibers in France and Mexico expanded the footprint of Performance Fibers in China as they produce similar products in the automotive fibers space.

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.

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.

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 Production Facilities

The following table describes our fibers and yarns production facilities as of December 31, 2017.

Production Facility	Location	Installed Capacity(1) ('000 tons per annum)
Indorama Polyester Industries Nakhon Pathom Facility	Nakhon Pathom, Thailand	120
Indorama Polyester Industries Map Ta Phut Facility	Map Ta Phut, Thailand	192
Indorama Holdings Facility – Wool line	Lopburi, Thailand	6
Auriga Facility – Polyester line	Spartanburg, South Carolina, US	83
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	212
Indorama Polyester Industries Map Ta Phut Facility - BICO	Map Ta Phut, Thailand	7
Polychem Facility (CP4) – Polyester line	Purwakarta, Indonesia	323
PHP Fibers – Nylon 6.6 tire cord and yarns	Germany, US and JV in China	85
Performance Fibers	Guangdong, China	55
DuraFiber Technologies México Operations, S. A. DE C. V.	Queretaro, Mexico	20
DuraFiber	Longville, France	35
Glanzstoff Group	Luxembourg, Czech Republic, Italy & China	31
Total		1,644

(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.

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 47.25% equity interest).

With the acquisition of the PTA and utility assets in Portugal in 2017, IVL enhanced the PTA business in Europe with a capacity of 700,000 tons.

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.

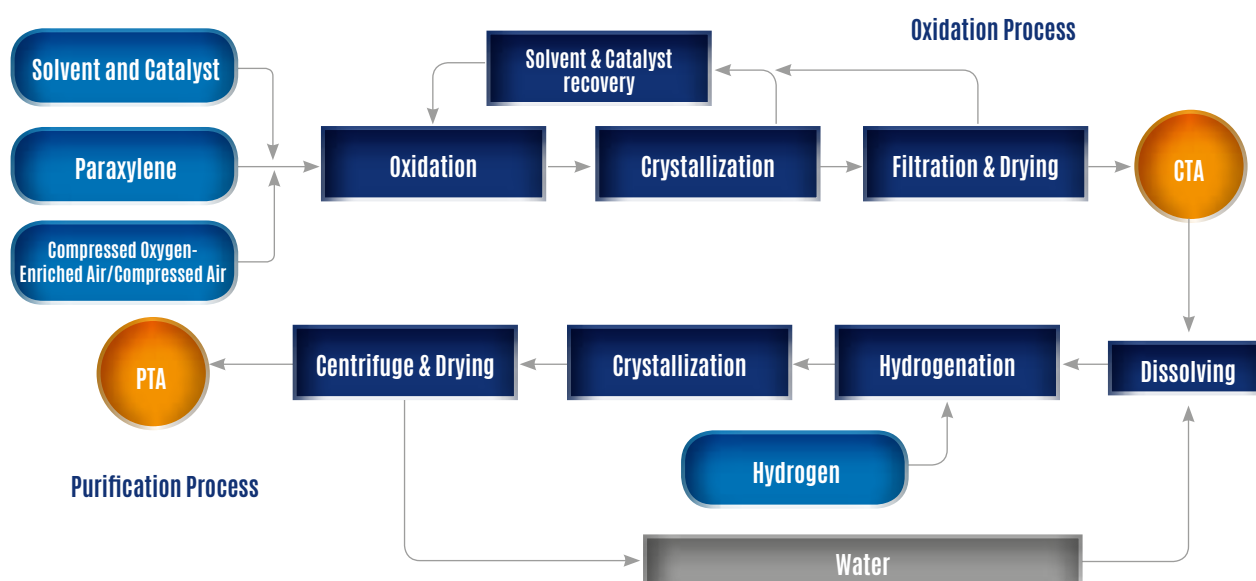
PTA Production Process

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 2015, 2016, and 2017, 53.8%, 55.9% and 53.1% respectively, of our PTA were sold to the group and 46.2%, 44.1% and 46.9% 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 CEPESA assets 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 CEPESA 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 has increased its production with increased 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.

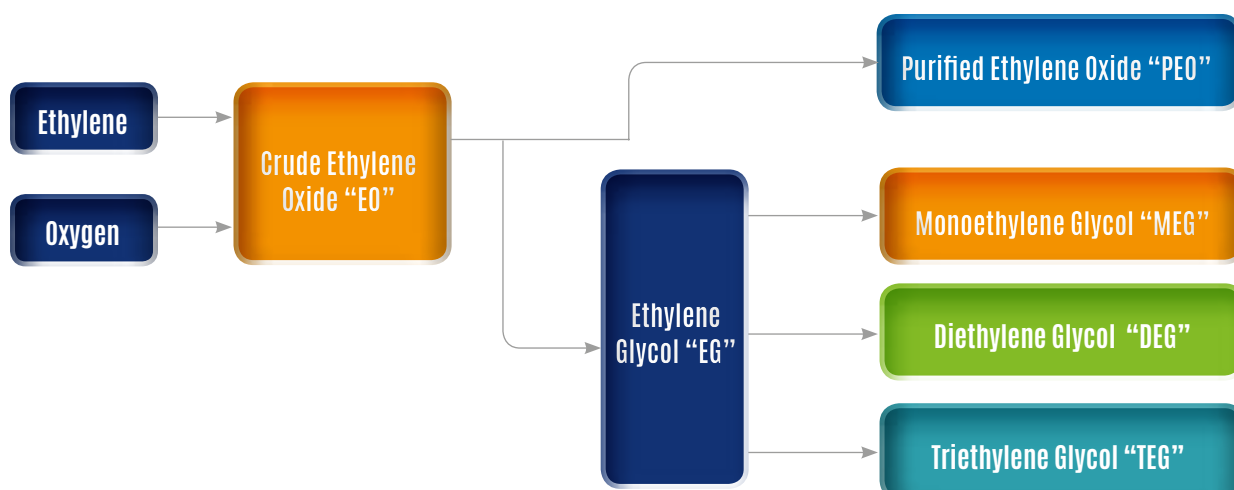
Diethylene Glycol (DEG) and Triethylene Glycol (TEG) Business Overview

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 ethanalamines, 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 2015, 2016 and 2017, 31.0%, 31.2% and 33.1% respectively of our EO/EG were sold to the group and 69.0%, 68.8% and 66.9% 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 in the second quarter of 2018. 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, 2017 (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	700
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		5,288

(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 focused on the polyester value chain through 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 have a leading market position in the PET polymers and hygiene fibres market. We have around 20% of global PET market share including its JV companies in India. Similarly in hygiene fibers we have around 50% market share in premium baby diapers fibers relevant to IVL. We are also a major airbag yarn producer in Europe globally.

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 75 manufacturing facilities located in 25 countries (as of December 31 2017) 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 (48.5% in 2015, 54.7% in 2016 and 52.7% in 2017) 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 263,000 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 earlier had 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. We also have a latest state of art polyester fibers plant in Indonesia which has one of the lowest cost of manufacturing of the fibers of its kind globally.

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 following the 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.



DOWNSTREAM





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

USD in Millions	2016	2017	YoY%
Total Production (in '000 tonnes)	8,729	9,103	4%
⁽¹⁾ Consolidated Sales	7,215	8,438	17%
PET	3,825	4,295	12%
Fibers	2,077	2,389	15%
Feedstock	2,657	3,407	28%
⁽²⁾ Core EBITDA	775	1,004	30%
PET	286	296	4%
Fibers	205	208	1%
Feedstock	271	501	85%
Core EBIT	462	647	40%
Core Net Profit after Tax and NCI (US\$ M)	274	459	68%
Core Net Profit after Tax and NCI (THB M)	9,653	15,576	61%
Core EPS after PERP Interest (THB)	1.79	2.91	63%
⁽²⁾ Reported EPS after PERP Interest (THB)	3.15	3.98	26%
Core EBITDA/t (US\$/t)	89	110	24%
Net Operating Debt to Equity	0.88	0.54	(39)%

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) whereas Core EPS is Reported EPS less Inventory gain/(loss) and onetime extraordinary items. Segments total may not match to IVL due to holdings segment. Excluding Feedstock price adjustment for captive sales to PET on freight saving. There are no impacts on regional or consolidated EBITDA.

Summary

2017 has been a momentous year for Indorama Venture in more ways than one. The Company surpassed several milestones in its journey towards its stated vision of becoming a "world-class chemical company making great products for society".

Our ongoing focus on the triple bottom-line helped in the Company debut in the Dow Jones Sustainability Index wherein we were ranked the **fifth** most sustainable chemical company world-wide.

We continued to strengthen our Corporate Governance capabilities and The Stock Exchange of Thailand, where the

Company is listed, recently ranked us, again, at a 'Five Star' level, the premier level that can be achieved by a locally listed company. Transparency International gave us the highest score in Thailand for our efforts in transparency and governance.

EcoVadis awarded the Company its highest recognition, Gold, and ranked us among the Top 5% of performers and one of the most preferred suppliers globally.

The launch of the 'i-Lead' and 'Shadow' internal leadership programs reiterated our attention towards enhancing internal capability and strengthening our management bench strength. The Board of Directors and the Executive Directors play a pivotal role in guiding, mentoring and supporting human resources at IVL.

While we strengthened the organization for future opportunities and challenges, we also delivered operating and financial performance that was the best in the history of the Company. For the very first time Indorama Ventures surpassed the \$ 1 billion milestone in terms of its full year core earnings (EBITDA).

Shareholders, including the majority shareholders, expressed their faith in the performance and future prospects of the Company and subscribed, in large numbers, to the warrants (IVL-W1) that were converted to equity by August 2017. This allowed the Company to raise \$ 452 million to strengthen its balance sheet. As a post-period update, the major shareholder in IVL also partially subscribed to the Warrants (IVL-W2) where the last date of subscription is in August 2018 thereby enabling the Company to raise a further over \$ 220 million in year 2018 so far.

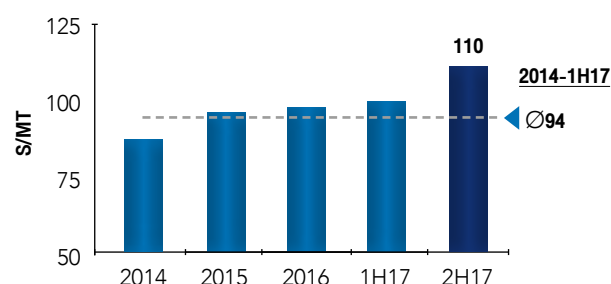
The gearing ratio improved by 39% to 0.54 (Net Operating Debt/Equity) and TRIS Ratings (a strategic partner of S&P Global) ascribed the Company's rating at "A+". They also upgraded the outlook of IVL to "Positive" from "Stable" reflecting the Company's successful strategy and future potential.

2017 Performance Analysis

The Company achieved its highest-ever EBITDA of \$ 1.004 billion in 2017, and achieved a 30% core EBITDA growth vis-à-vis 2016. Net Core PAT grew by 68%. All the reported segments, namely PET, Fibers and Feedstock grew on a Y-o-Y basis. Core EBITDA for PET grew by 4%, Fibers grew by 1% and Feedstock grew by 85%. Production growth was modest at 4% but the highlight was the Core EBITDA per tonne of \$ 110 in 2017, a growth of 24% Y-o-Y, demonstrating a sizeable improvement in the quality of the portfolio and earnings.

China's renewed focus on the environment is resulting in the closing of polluting manufacturing facilities including those in the polyester value chain. This has resulted in the ban of import of waste PET and additional demand of PTA, MEG and Polymers in order to fulfill existing demand which was earlier met by recycling imported waste PET. Inventory levels of PTA have reduced from earlier 25 to 30 days to less than 10 days more recently. Lower inventory levels of PTA, higher demand growth and lesser capacity addition create a positive outlook for the Asian PTA industry.

China PTA Spreads



IVL has seen the improvements in PTA margins in Asia in line with margin growth in China although it is not visible in its performance. This is because the pricing in 2017 was formula based with fixed margins. Higher coal prices have also impacted costs and resulted in lower EBITDA. Our pricing has been reset for 2018 onwards and we expect to recover our EBITDA proportionately.

Japan introducing punitive charges on import of PET from China and has affirmed them for 2018 creating a market opening for IVL. The ongoing anti-dumping duty quantification against five leading PET exporting nations in to the USA is expected to be announced in 2nd quarter this year. Even though the imports into the USA will always be a competitive factor given the large available capacity abroad, such actions place IVL and other domestic producers as a reliable supplier and increase our contracted output.

The on-going restructuring by two of the leading PET producers in key markets of Americas and EMEA in the second half of 2017 has resulted in a structural change in the business outlook of PET, and is an opportunity for well-managed and committed PET producers like IVL to align supply reliability to customers.

We benefitted from the instability created by on-going restructuring as customers looked for higher contracted volumes due to risk that the restructuring would result in planned capacity not coming on line. This is reflective of the improvements seen in the 2H17 performance vis-à-vis what we saw during the first half of the year 2017. While production was higher by 6%, EBITDA increased by 20%, highlighting the improvement seen on the margins scenario. The margin and mix improvement was more pronounced YoY, 30% for EBITDA against volume growth of 1%.

Financial Summary - 2H17 Performances

USD in Millions	2H16	1H17	2H17	YoY%	HoH%
Total Production (in '000 tons)	4,645	4,411	4,692	1%	6%
Consolidated Sales	3,723	4,130	4,308	16%	4%
PET resins	1,902	2,098	2,197	16%	5%
Fibers	1,024	1,133	1,256	23%	11%
Feedstock	1,561	1,678	1,729	11%	3%
Core EBITDA	422	457	547	30%	20%
PET resins	134	122	175	30%	44%
Fibers	97	105	104	7%	(1)%
Feedstock	178	231	270	51%	17%
Core EBITDA/t (US\$/t)	91	104	117	28%	12%
PET resins	70	67	92	31%	38%
Fibers	139	151	152	10%	1%
Feedstock	88	122	128	46%	5%

On an EBITDA per tonne basis, PET improved by 31%, Fibers improved by 10% and feedstock improved the most by 46% Y-o-Y.

We expect imports and customers to continue to exert margin pressure; however the improvements seen in the PET business in the 2H17 are expected to continue in 2018 with most of the volumes contracted. These margins are not yet at 2015 levels due to higher cost IPA and MEG seen in 2017 and continuing in 2018 although for IVL this is fully offset due to our captive manufacturing of these monomers.

The North America Aromatics portfolio was negatively impacted in 2H17 due to maintenance shutdown of our US Paraxylene and Canadian PTA plant and reduced sales due to mothballing of Apple Grove plant owned by M&G (an erstwhile PET producer in the Americas). Part of the lost sales was diverted to other customers and we believe we can recover all sales in 2H2018.

The Company's High-Value Added fibers business continued to gain momentum from macro-industrial trends, like composites, light-weighting and a focus on personal safety and personal hygiene. In 2017, IVL completed the acquisition of Glanzstoff which is Europe's largest manufacturer of tire cord fabrics and single-end cords. The Company also acquired DuraFiber in Mexico and France (formerly Performance Fibers), a leading producer of durable technical textiles for industrial, tire reinforcement, and specialty applications. Glanzstoff also commenced single-end cord production in China in 4Q 2017. Together with PHP and Performance Fibers, these acquisitions propel IVL into a position of strength in Rayon, Aramids, Nylon 6.6 and Polyester businesses within the auto segment.

The Company's HVA portfolio also benefitted from the strength seen in its specialty feedstocks, namely IPA and NDC. IPA witnessed record high margins in 2017 which have now dropped to levels that are more sustainable and still accretive for producers with feedstock supply. IVL will mostly recover the EBITDA in IPA with 50% volume growth in 2018 and again similar volume growth in 2019.

Successful completion in 2017 of several operational excellence projects, tire-cord acquisitions and committed expansion plans coming on-stream in 2018, as discussed in forthcoming sections, are providing impetus to our business and our ability to generate positive operating cash flows. The Company reduced its leverage ratio (Net Operating Debt to Equity) to 0.54, a significant reduction of 39% on a Y-o-Y basis. Our Asian business shows a dip in ROCE in 2017, which was due to lower production in China and Indonesia due to certain debottlenecking projects and a technical glitch that has been overcome in end 4Q17. An impact from utilization of cash flow to prepay part of trade payables also had a moderate impact on Asia ROCE.

During the year, the Company invested \$ 873 million (\$569 million related to year 2017) in capital expenditure to support future earnings growth. Projects currently underway include the dual-feed gas cracker in USA, expansion of the HVA auto fibers in China, full year impact in 2018 of the acquisitions and the expansions done in 2017, all of which add to overall production quantity and earnings quality of IVL in 2018 & 2019 (see Table for details).

Production Volumes, Utilization and Core EBITDA/t

	2016	2017	YoY%
Production (000 tonnes)	8,729	9,103	4%
PET	3,799	3,734	(2)%
Fibers	1,384	1,370	(1)%
Feedstock	3,545	4,000	13%
West Feedstock	2,376	2,796	18%
Asia PTA	1,169	1,204	3%
Operating rate (%)	86%	88%	2%
PET	84%	88%	5%
Fibers	88%	88%	(0)%
Feedstock	87%	87%	1%
West Feedstock	88%	87%	(0)%
Asia PTA	85%	88%	3%
Core EBITDA/t (US\$/t)	89	110	24%
PET	75	79	5%
Fibers	148	152	2%
Feedstock	76	125	64%
West Feedstock	96	173	79%
Asia PTA	36	15	(59)%

On a Y-o-Y basis, the western feedstocks portfolio improved significantly as a consequence of the full-year earnings from former BP and CEPESA facilities acquired in March/April 2016. Volume from the newly expanded PTA facility in Rotterdam will mostly benefit 2018 since the impact in 2017 was offset with tie-in shutdowns and teething issues. Feedstock portfolio also benefited from higher production from the EO-EG facility in USA in 2H17 post catalyst change in 1H17.

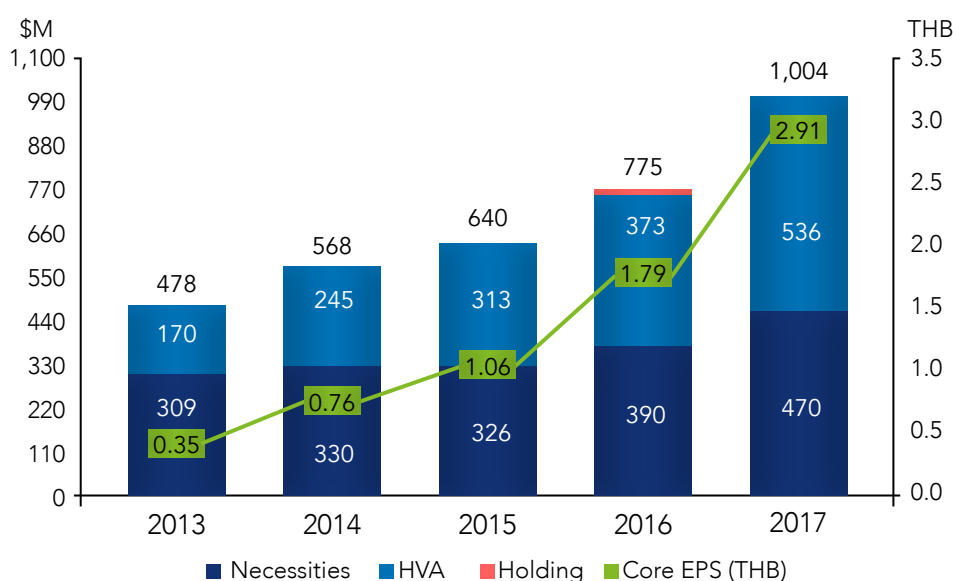
Production of PTA was higher in Asia which benefitted from a full year production volume (as against a maintenance shutdown at the TPT facility in Thailand in 2016). Although data in Table does not reflect the improved PTA margins in Asia which is due to a fixed margin formula pricing in 2017 as discussed above.

PET production was marginally lower, despite higher operating rates due to de-bottlenecking turnaround in China, mothballing of the Adana facility in Turkey (2016) and the deconsolidation of India (also partly in 2016). Higher operating rates helped reduce the impact of these events to a certain extent.

Production of fibers in 2017 remained almost flat, with higher production following the acquisitions of Glanzstoff and DuraFiber offsetting lower production in Indonesia due to technical issue and with the impairment (approx. \$10 million) of a marginal manufacturing facility in Indonesia which was underperforming since last few years.

Impact of last 4 years strategy:

IVL Core EBITDA

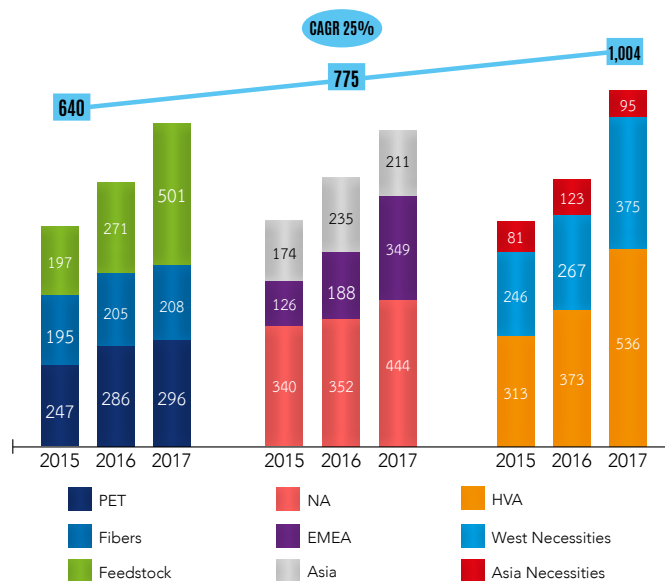


Note: Core EPS for 2013 numbers are not restated by quarters with change in new accounting policy as not material. Though yearly numbers are restated.

The Company has achieved a Core EBITDA growth of 20% CAGR over 4 years and core EPS growth has been exponential at 70% CAGR over the same period.

This performance is an outcome of the Company's strategy of timely investments in the PET industry, creating a diversified earnings stream in the form of the HVA businesses, integration into advantaged feedstocks and expansions in key geographies. Earnings growth has accelerated significantly in recent years. While it is our stated goal of doubling the EBITDA every five years, we have achieved this target in the last four years.

IVL's Business Profile Analysis of Core EBITDA in \$Million



Note: Segments total may not match to IVL due to holdings segment, except regions where holdings are allocated.

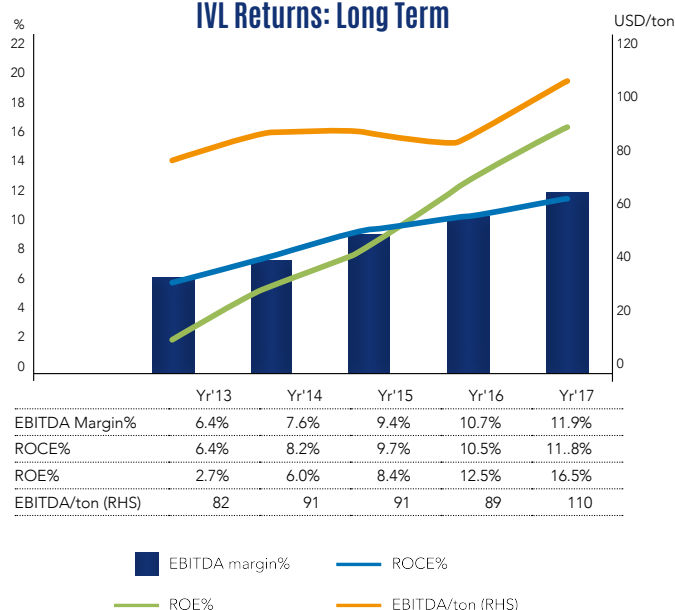
IVL is well positioned to deliver on its consistent strategy of diversifying its earning streams within its core areas of competence. This strategy has played a key role in creating long-term value at the Company and for the benefit of all its stakeholders. Timely diversification has also helped the Company create a natural hedge against margins volatility seen in a particular product or region

Business Outlook

The doubling of PTA production in The Netherlands, acquisition of 700 kta PTA in Portugal, the doubling of IPA production in Spain and the commissioning of the ethylene cracker in the USA will provide earnings upside for the feedstock segment for most part of 2018 and for the full year in 2019. The advantages of brownfield expansions (PTA and IPA) are expected to also result in lowering of unit cost of production thereby making these manufacturing sites more competitive and sustainable.

IVL will also benefit from the full year earnings from the Glanzstoff facilities and its recent expansion in China. Improvements and synergies at DuraFiber in Mexico and France as well as the announced projects in China and Indonesia will add incremental production and earnings growth to the HVA portfolio within the Fibers business and will provide further growth impetus

Margins and Returns IVL Returns: Long Term



Note: Core Financials, all ratios are based on US\$ calculation.

to the earnings of the Company in the forth-coming quarters. Polyester fibers are also proving to be product of choice in industries that are benefiting from macro-industrial trends, like composites, light-weighting and a focus on personal hygiene and personal safety. Demand for high-value fibers are expected to continue to grow at a healthy 6 to 7 percent annually.

Global polyester demand growth continues to be around 5 to 6 percent on year on year basis. In the context of the overall polyester business, PET has retained its position as the world's preferred packaging solution, particularly in the growing beverages business and in food packaging. Supporting this are the inherent material advantages which include light-weighting, recycling and versatility leading to better performance and lower carbon footprint. The PET segment will witness growth in volumes in 2018-2019 from multiple de-bottleneck projects done in 2017 and ongoing presently as well as a plan to consolidate our existing JV business in India as per our option in the agreement in order to fully leverage on IVL synergies and post challenging macro regulations adopted in India in 2017.

The diversity of our products, intellectual property and geographies provides us predictability in cash flows, allows for prudent reinvestment and the delivery of industry-leading returns. IVL has been on a transformational journey in order to create a business portfolio which is not impacted by weakness

in any one product and can deliver double-digit returns across business cycles.

IVL continues to invest in the business to enhance overall production, vertical integration and quality of earnings. The Company has in motion several earnings-accretive capital investment brownfield projects and de-bottlenecks which are budgeted to have higher returns than our entire existing portfolio as seen in the table below.



IVL Organic Growth Plan with Associate Capex Estimated EBITDA Growth in 2019 over 2H17 Annualized

Amount in US\$ million, billion or per tonne	IVL Consolidated	PET	Fibers	Feedstocks	North America	EMEA	Asia
EBITDA 2H17 (\$M)	547	175	104	270	244	193	111
EBITDA 2H17 Annualised (\$M)	1,094	350	207	540	488	387	222
Production 2H17 Annualised (MMT)	9.4	3.8	1.4	4.2	3.6	2.8	3.0
EBITDA (\$/t)	117	92	152	128	137	140	73
Net Op CE as on Dec'17 (\$B)	5.6						
Simple payback of existing businesses	5.1 years						

Approved and under implementation Projects estimated impact in 2019 over 2H17 Annualised Results

Increase in Production	~25%	~25%	~20%	~30%	~10%	~40%	~35%
Increase in EBITDA	~35%	~30%	~50%	~35%	~35%	~20%	~70%
Growth Capex related to year 2018 & 2019 (\$B)	1.6	~30%	~20%	~50%	~50%	~30%	~20%
Maintenance Capex in 2018 & 2019 (\$B)	0.3	~20%	~20%	~60%	~40%	~30%	~30%
Total Capex related to year 2018 & 2019 (\$B)	1.8						
Simple payback of approved projects in 2019	~4.5 years						

Incremental Capex Headroom of approx US\$ 7 Billions by year 2021 (over approved projects as above)

Note:

a) Out of \$1.8B capex, \$764M is spent already by 2017

b) Brent/bbl: \$70 (2018) and \$75 (2019 & onwards), US Natural Gas: ~\$3/mmmbtu, THB/US\$:32.5

c) Net Op CE=Net operating capital employed, EMEA=Europe, Middle East and Africa

d) Core financials, Simple payback = Net Op CE/EBITDA in years

Disclaimer:

2019 evolution over 2H17 is as per management best estimates and may change materially if there are changes in underlying assumptions due to external or internal reasons

Improved cash flows and ongoing commitment from shareholders provide the liquidity for several investment opportunities during the 2018-21 plan periods. In addition to announced investments of \$ 1.8 billion in 2018-19 (including \$764 million carried forward from year 2017), the Company believes it will have an investment headroom of approximately \$ 7 billion (based on budgets and our internal guideline of 1:1 Net Debt: Equity over the plan period).

The previously announced Dupont Teijin Film business is not considered in the budgets as it awaits regulatory and third party consents. We have not included any new acquisitions in our 2018-2019 budgets as shown in the table above. However, at the

time of writing we are expecting to conclude another acquisition in March 2018, which is not included in the current plan.

Equally importantly, IVL is investing in opportunities that continue to enhance the quality of earnings on an ongoing basis. The ongoing investments which are completing in 2018-19 are expected to result in an estimated EBITDA growth of approximately 35% in 2019 over 2H17 annualized and results in a pay-back of around four and a half years. This is estimated to be achieved with a production increase of approximately 25% which should lead to the higher earnings for the Company on a per-tonne basis with scale and product mix impact. This is superior to existing portfolio which based on 2H17 run-rate

provides a simple pay-back period of 5 years, which in itself is an industry-leading performance.

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 and 3 of our full-year 2017 audited financial statements.

Emphasis of Matter in the Auditors Opinion

There is no qualification by the auditors and they have drawn the attention to note 4 to the consolidated financial statements for the following matters:

The Group completed the acquisition of 100% equity interest in Glanzstoff Group resulting in the recording goodwill of Baht 952.2 million in the consolidated statement of financial position as of 31 December 2017. The fair value of business acquired and the allocation of purchase price have been provisionally determined and are subject to potential amendment.

The Group completed the acquisitions of 100% equity interest in DuraFiber Mexico, Longlaville DuraFiber Technologies (DFT) SAS and of PTA assets of Artlant PTA S.A. and the adjacent utility assets of Artelia Aimbiente S.A. resulting in the recording of gains on bargain purchases of Baht 3,672.7 million in the consolidated statement of income for the year ended 31 December 2017. The fair value of business acquired and the allocation of purchase price have been provisionally determined and are subject to potential amendment.

Performance Comparison

Revenue from the sale of goods

THB in Millions	FY 2016	FY 2017	Change (%)
Revenue from the sale of goods	254,619.5	286,332.3	12.5%
Add: Eliminations	47,432.0	56,091.1	
Adjusted revenue from the sale of goods	302,051.5	342,423.3	13.4%
PET	134,989.5	145,760.3	8.0%
Fibers	73,291.0	81,065.4	10.6%
*Feedstock	93,771.1	115,597.6	23.3%

*Excluding Feedstock price adjustment for captive sales to PET on freight saving.

Sales revenue for the year ended 2017 was THB 286,332.3 million, an increase of 12.5% from 2016 and in-line with volume growth of 4% and higher prices followed the trend in crude prices.

PET Revenue

PET revenue for the year ended 2017 was THB 145,760.3 million, an increase by THB 10,770.8 million or 8.0% from 2016. This increase was a result of higher prices followed the trend in crude prices.

Fibers Revenue

Fibers revenue for the year ended 2017 was THB 81,065.4 million, an increase from THB 7,774.5 million or 10.6% from 2016 despite a 1% decrease in volumes as prices were higher over the last year, assets mix improved with the acquisitions of Glanzstoff and DuraFiber.

Feedstock Revenue

Feedstock revenue for the year ended 2017 was THB 115,597.6 million, an increase of THB 21,826.5 million or 23.3% from 2016, in-line with volume growth of 13%. Feedstocks production improved significantly as a consequence of the full-year impact from former BP and CEPESA facilities acquired in March/April 2016.

Cost of Sale of Goods

THB in Millions	FY 2016	FY 2017	Change (%)
Cost of sale of goods	211,696.0	234,483.4	10.8%
As a percentage of total revenues	83.1%	81.9%	
Add: Eliminations	44,126.3	52,510.0	
Adjusted cost of sale of goods	255,822.2	286,993.4	12.2%
*PET	116,532.2	127,290.9	9.2%
As a percentage of total PET revenue	86.3%	87.3%	
Fibers	61,428.0	68,482.6	11.5%
As a percentage of total Fibers revenue	83.8%	84.5%	
Feedstock	77,862.1	91,219.9	17.2%
As a percentage of total Feedstock revenue	83.0%	78.9%	

*Excluding Feedstock price adjustment for captive sales to PET on freight saving.

Our cost of sales for the year ended 2017 was THB 234,483.4 million, an increase of THB 22,787.4 million or 10.8% from 2016 which is in-line with the increase in sales revenue.

PET Cost of Sale of Goods

For the year ended 2017, PET cost of sale of goods was THB 127,290.9 million, an increase of THB 10,758.7 million or 9.2% from 2016, in-line with an increase in sales revenue.

Fibers Cost of Sale of Goods

For the year ended 2017, Fibers cost of sale of goods was THB 68,482.6 million, an increase of THB 7,054.6 million or 11.5% from 2016, in-line with an increase in sales revenue.

Feedstock Cost of Sale of Goods

For the year ended 2017, Feedstock cost of sale of goods was THB 91,219.9 million, an increase of THB 13,357.9 million or 17.2% from 2016, in-line with an increase in sales revenue.

Gross Profit

THB in Millions	FY 2016	FY 2017	Change (%)
Gross Profit	42,923.6	51,848.9	20.8%
As a percentage of total revenues	16.9%	18.1%	
Add: Eliminations	(3,305.7)	(3,581.1)	
Adjusted gross profit	46,229.3	55,429.9	19.9%
PET	18,457.3	18,469.4	0.1%
As a percentage of total PET revenue	13.7%	12.7%	
Fibers	11,862.9	12,582.8	6.1%
As a percentage of total Fibers revenue	16.2%	15.5%	
Feedstock	15,909.0	24,377.7	53.2%
As a percentage of total Feedstock revenue	17.0%	21.1%	

Gross Profit for the year ended 2017 was THB 51,848.9 million, an increase of THB 8,925.3 million or 20.8% from 2016. The gross profit margin of 18.1% in 2017 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 2017, PET gross profit was THB 18,469.4 million, which flat comparing to 2016. PET gross profit margin in 2017 was 12.7%, marginally decrease YoY as a result of negatively impacted by the cost increase from secondary raw material IPA.

Fibers Gross Profit

For the year ended 2017, Fibers gross profit was THB 12,582.8 million, an increase of THB 719.9 million from 2016 in-line with Fibers revenue. Gross profit margin in 2017 was 15.5%,

decreasing from the prior year as a result of higher revenue with higher prices and improved product mix.

Feedstock Gross Profit

For the year ended 2017, Feedstock gross profit was THB 24,377.7 million, an increase of THB 8,468.7 million from 2016 in-line with an increase in volumes and a change in the product mix. Gross profit margin in 2017 was 21.1%, an increase from the prior year due to a change in the portfolio mix and full-year impact from 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 2016	FY 2017
Industry spread		
Asia PET	114	125
West PET (50:50- North America : Europe)	178	203
IVL spread		
Asia PET	149	157
West PET (IVL Actual Mix)	222	233
Industry spread		
Asia PTA	97	104
West PTA (50:50- North America : Europe)	213	223
IVL spread		
Asia PTA	126	123
West PTA (IVL Actual Mix)	217	229

*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 2016	FY 2017	Change (%)
EBITDA ⁽¹⁾	27,626.7	35,348.7	28.0%
Add: Inventory loss/(gain) ⁽²⁾	(261.1)	(1,271.2)	
CORE EBITDA	27,365.7	34,077.5	24.5%
As a percentage of total revenues	10.7%	11.9%	
Add: Eliminations and others ⁽³⁾	(452.2)	58.3	
Adjusted CORE EBITDA	26,913.5	34,135.7	26.8%
PET	10,103.8	10,060.9	(0.4)%
As a percentage of total PET revenue	7.5%	6.9%	

THB in Millions	FY 2016	FY 2017	Change (%)
Fibers	7,246.2	7,064.2	(2.5)%
As a percentage of total Fibers revenue	9.9%	8.7%	
Feedstock	9,563.4	17,010.6	77.9%
As a percentage of total Feedstock revenue	10.2%	14.8%	

(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. Excluding Feedstock price adjustment for captive sales to PET on freight saving. There are no impacts on regional or consolidated EBITDA

(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 2017 was THB 34,077.5 million, an increase of THB 6,711.8 million or 24.5% from Feedstock segment. Core EBITDA is defined as EBITDA less Inventory loss/(gain).

PET Core EBITDA

PET Core EBITDA for the year ended 2017 was THB 10,060.9 million, remain flat comparing with 2016. Even though the spread went up, production was marginally lower due to de-bottlenecking turnaround in China, mothballing of the Adana facility in Turkey (2016) and the deconsolidation of the business in India (also partly in 2016).

Fibers Core EBITDA

Fibers Core EBITDA for the year ended 2017 was THB 7,064.2 million, slightly decrease of THB 182.0 million or 2.5% from 2016. The Fiber segment benefitted with the consolidation of high performance Rayon tire-cord business 'Glanzstoff' but the overall earnings were negated due to planned maintenance shutdown at a site in Indonesia.

Feedstock Core EBITDA

Feedstock Core EBITDA for 2017 was THB 17,010.6 million, an increase of 77.9% from THB 9,563.4 million in 2016. 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 2016	FY 2017	Change (%)
Interest Income	124.4	102.4	(17.6)%
Net foreign exchange gain/(loss)	543.1	(34.6)	(106.4)%
Gain on a bargain purchase	6,698.6	3,672.7	(45.2)%
Other income	1,459.5	1,160.2	(20.5)%
Total	8,825.5	4,900.8	(44.5)%

Interest Income

Interest Income for the year ended 2017 was THB 102.4 million, a decrease of THB 21.9 million or 17.6% from 2016. This was mainly due to a decrease in current investment during the year.

Net foreign exchange gain/(loss)

There was a net foreign exchange loss for 2017 of THB 34.6 million, decrease from gain of THB 543.1 million in 2016. This was primarily due to IVL's disciplined approach to hedging receivables and payables. Currency volatilities are also hedged in a natural way due to our global presence, for example USD assets are hedged naturally against USD liabilities and hence we do not have major gains or losses in 2017.

Gains on bargain purchases

During 2017, 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 2017, IVL had gains on bargain purchases of THB 3,672.7 million. The following details are given:

Baht in Millions	Net identified assets acquired and liabilities assumed				
	Interest acquired (%)	Recognized values	Total Consideration	Gain on a bargain purchase	Goodwill
Companies acquired during the years ended December 31, 2016					
Chemical complex of BP Amoco Chemical Company, USA	100%	18,042.2	14,752.4	3,289.8	
Guadarranque Polyester S.L.U., Spain	100%	11,246.2	7,837.4	3,408.8	
Dhunseri Petgloble Limited, India	50%	1,300.3	2,198.9	-	898.6
				6,698.6	
Companies acquired during the years ended December 31, 2017					
DuraFiber Mexico, Mexico	100%	1,102.4	894.4	207.9	
Longlaville DuraFiber Technologies (DFT) SAS, France	100%	601.9	-	601.9	
The PTA assets of Artlant PTA S.A. and the utility assets of Artelia Ambiente, S.A., Portugal	100%	4,503.5	1,640.6	2,862.9	
Glanzstoff Group, Europe	100%	5,148.4	6,100.6	-	952.2
				3,672.7	

A gain on bargain purchase is considered by management as an extraordinary item which does not arise from the normal operation of the business, but is included in the net profit of the Company. Additional information on each acquisition is provided in Note 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 2017 was THB 1,160.2 million, a decrease of THB 299.2 million or 20.5% from 2016. Mainly due to 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 2016	FY 2017	Change (%)
Distribution costs	14,637.9	15,778.3	7.8%
Administrative expenses	7,041.1	9,988.4	41.9%
Management benefit expenses	143.7	136.9	(4.7)%
Total	21,822.7	25,903.6	18.7%

Total expenses for the year ended December 31, 2017 was THB 25,903.6 million, an increase of THB 4,080.9 million or 18.7% from 2016 as a result of higher spending on selling and administrative expenses in-line with our volume growth. Please refer to Note 28 and 29 – Distribution costs and Administrative expenses of the Audited Financial Statements for further details on this item.

Management benefit expenses decreased 4.7% from last year which was considered insignificant.

Doubtful Debts Expenses

IVL had doubtful debt expenses in amount of THB 1,978.6 million in 2017 and THB 30.4 million in 2016. Big expenses were recorded in 2017 as M&G who is the customer of Cepsa Canada filed bankruptcy. IVL recorded provision for doubtful debt amounting to THB 1,794.3 million against the said provision.

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 2017, IVL spent THB 401.9 million (2016: THB 356.7million) on R&D which was booked under appropriate expenses.

Finance Costs

Finance costs for the year ended 2017 was THB 3,864.5 million, a decrease of THB 357.9 million from 2016 that was in-line with a decrease in overall interest-bearing liabilities as well as interest rate.

Share of profit of jointly-controlled entities, net

IVL had a share of profit from joint ventures in the amount of THB 28.4 million and loss of THB 173.1 million for the year ended

2017 and 2016, respectively. A significant increase in the share of profit from joint ventures was due to improved performance in most of the joint venture companies especially Dhunseri and MicroPet. Please refer to Note 12 – Investment in joint ventures in the Audited Financial Statements for further details.

Income Tax Expense

Tax income for 2017 was THB 1,400.2 million and tax expense was 2,062.2 in 2016. There was amendment in US corporate income tax rate reducing from 35% to 21%. Accordingly some deferred tax liabilities have been reversed as a one-time income in 2017. Please refer to Note 33 – Tax expense (income) in the Audited Financial Statements for further details.

Net Profit

THB in Millions	FY 2016	FY 2017	Change (%)
Net profit	16,359.2	21,078.3	28.8%
As a percentage of total revenues	6.4%	7.4%	
Profit attributable to:			
Owners of the Company	16,197.1	20,882.9	28.9%
Non-controlling interests	162.1	195.4	20.6%

Net Profit for the year ended December 31, 2017 was THB 21,078.3 million, an increase of THB 4,719.1 million or 28.8% from 2016 due to higher earnings. 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, 2017 and 2016, IVL had total assets of THB 282,358.4 million and THB 258,380.5 million, respectively. The increase of 9.3% 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, 2017 and 2016, IVL reported trade accounts receivable of THB 32,098.2 million, and THB 31,085.5 million respectively, representing 11.4% and 12.0% 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 normally in a narrow low-range due to the close follow-up and collections that is conducted on time. However, the allowance for doubtful accounts rose substantially in 2017 mainly due to one of IVL's PTA customer, M&G, filed bankruptcy under Chapter 11 as mentioned earlier. As a consequence, the Company has taken a net impairment of THB 1,296.9 million (receivables impairment of THB 1,794.3 million and a deferred tax income of THB 497.4 million). The aging analysis for trade accounts receivable is as follows:

	Consolidated financial statements	
	December 31, 2016	December 31, 2017
	(THB in Millions)	
Related parties		
Within credit terms	709.4	796.7
Overdue:		
Less than 3 months	284.6	265.5
3-6 months		9.4
6-12 months		0.2
Net	994.0	1,071.7
Other parties		
Within credit terms	27,069.8	26,542.6
Overdue:		
Less than 3 months	2,907.7	4,692.7
3-6 months	57.3	798.4
6-12 months	48.3	854.1
Over 12 months	134.0	153.0
	30,217.2	33,040.8
Less: allowance for doubtful accounts	(125.8)	(2,014.3)
Net	30,091.5	31,026.5
Total	31,085.5	32,098.2

Inventories

As of December 31, 2017 and 2016, IVL reported inventories of THB 46,036.5 million and THB 40,458.9 million, respectively, representing 16.3% and 15.7% of total assets. This increase was in-line with the Company's expansion and business growth in 2017.

Investment in joint ventures

As of December 31, 2017 and 2016, IVL reported investment in jointly-controlled entities of THB 6,247.1 million and THB 5,529.8 million, respectively, representing 2.2% and 2.1% of total assets. The increase mainly resulted from the increase in share capital of some joint ventures namely Polyprima, ES FiberVisions (Suzhou) and MicroPet in which the Group entirely subscribed to the portion of its shareholdings.

Property, plant and equipment (PPE)

As of December 31, 2017 and 2016, IVL reported property, plant and equipment of THB 151,202.0 million and THB 136,860.3 million, respectively, representing 53.5% and 53.0% of total assets. The increase resulted from various acquisitions, Rotterdam PTA expansion and ongoing Gas Cracker project in the US.

The PET segment saw a decrease of 6.1% in its PPE in 2017 over 2016 to THB 36,503.8 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 Fibers segment saw an increase of 11.4% in its PPE in 2017 from 2016 to THB 37,806.4 million. In 2017, IVL completed the acquisition of Glanzstoff which is Europe's largest manufacturer of tire cord fabrics and single-end cords. The Company also acquired DuraFiber in Mexico and France (formerly Performance Fibers), a leading producer of durable technical textiles for industrial, tire reinforcement, and specialty applications. Glanzstoff also commenced single-end cord production in China in 4Q 2017. Together with PHP and Performance Fibers, these acquisitions propel IVL into a position of strength in Rayon, Aramids, Nylon 6.6 and Polyester businesses within the auto segment.

The Feedstock segment saw an increase of 20.0% in its PPE in 2017 from 2016 to THB 76,639.3 million. This was primarily due to the acquisition of PTA facility in Portugal as well as the completion of PTA expansion at our Rotterdam site in 2017 together with the ongoing Gas Cracker project in the US.

Other Intangible Assets

As of December 31, 2017 and 2016, IVL reported intangible assets of THB 18,027.2 million and THB 17,602.2 million, respectively, representing 6.4% and 6.8% of total assets. Intangible assets increased 2.4% from last year which was considered insignificant.

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 2017, these amounts are not material.

Total Liabilities

As of December 31, 2017 and 2016, IVL reported total liabilities of THB 163,371.7 million and THB 166,565.5 million, respectively. The decrease in total liabilities resulted from a decrease in loans from financial institutions, issuance of debentures and a decrease in deferred tax liability offset with a higher in trade accounts payable which was in-line with the growth in volumes from business expansion and acquisitions.

Trade accounts payable

As of December 31, 2017 and 2016, IVL had trade accounts payable of THB 39,301.4 million and THB 37,316.1 million, respectively. This was in-line with the growth in volumes from business expansion and acquisitions. The payment days for the year ended 2017 and 2016 was 57.3 days and 56.5 days, respectively. IVL was able to get extended credits from its suppliers as its volume increased in 2017 from 2016.

Interest-bearing liabilities

As of December 31, 2017 and 2016, IVL reported interest-bearing liabilities of THB 95,785.1 million and THB 102,086.3 million, respectively, representing 33.9% and 39.5% of total liabilities and shareholders' equity.

Our net operating debt-to-equity decreased substantially from 0.88 times at the end of 2016 to 0.54 times at the end of 2017, after spending on capex and investments of THB 29,624.7 million in 2017. IVL's net operating debt decreased from THB 81,019.1 million at the end of December 31, 2016 to THB 64,015.0 million at the end of December 31, 2017, mainly due to loan repayments from the proceed from issue of ordinary shares due to warrants exercised.



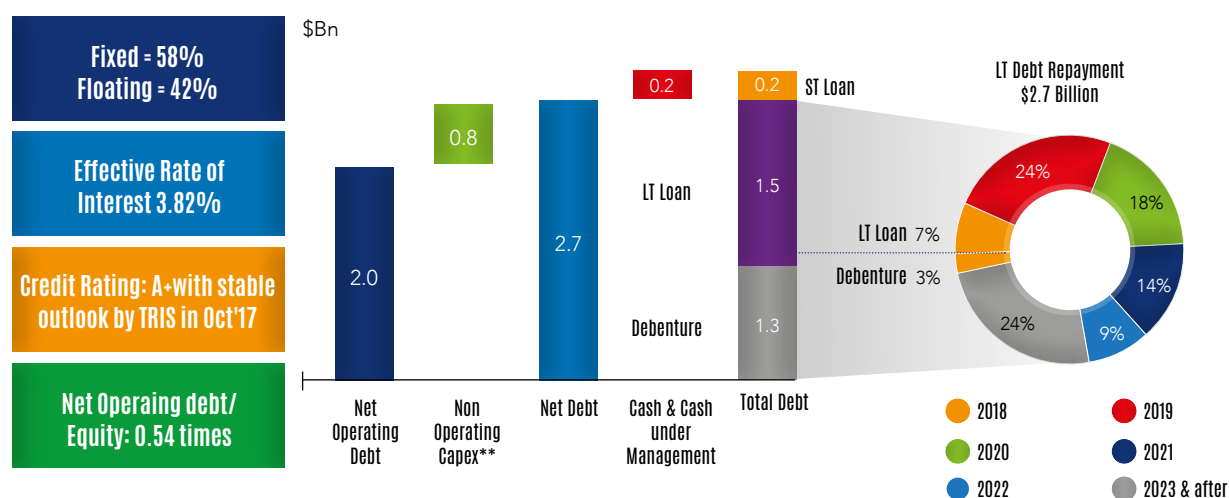
The table below describes total debt and net operating debt in THB billions:

THB in Billions	2016	2017
Total Debt	102	96
Bank overdraft and short-term loans	9	6
Long-term debt (Current portion)	4	6
Debentures (Current portion)	5	3
Long-term debt (Non-current portion)	51	43
Debentures (Non-current portion)	32	38
Cash & Cash under management	5	7
Cash and cash equivalents	4	7
Current investments and loans given	1	(0)
Net Debt	98	89
⁽¹⁾ Non-operating Debt (Project Debt)	16	25
Net Operating Debt	81	64
Net debt-to-equity (times)	1.06	0.75
Net operating debt-to-equity (times)	0.88	0.54
Debts with fixed interest %	50%	58%
Credit Rating by TRIS (Reaffirmed in October 2017)	A+	A+
Liquidity	51	63
Unutilized credit line	47	57
Financial Ratios		
Current ratios (times)	1.3	1.4
Debt Servicing Coverage Ratio (DSCR) times	2.9	3.6
Interest coverage ratio (times)	6.7	10.0

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 USD billions:

Debt Maturity Profile as on Dec 2017



**Include Gas Cracker, Arltant PTA/Utility & other capex which are at project stage & not contributing to revenue as on date.

Shareholders' equity

As of December 31, 2017 and 2016, IVL reported shareholders' equity of THB 118,986.7 million and THB 91,814.9 million, respectively. The increase in shareholders' equity was mainly due to capital raising from warrants exercised, 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 2017 over 2016. Please refer to "Statement of Changes of Equity" in the Audited Financial Statements for more details.

Cash Flow

IVL generated THB 28,906.8 million of cash flow from operating activities in 2017 compared to THB 24,946.2 million in 2016 due to improvement in its performance and outflow of net working capital on higher absolute prices following the crude oil trend.

Cash flow used in investing activities of THB 28,785.7 million in 2017 was primarily paid towards the acquisition of the Glanzstoff, DuraFiber France and Mexico, Arltant PTA as well as the expansion of 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 2,729.9 million in 2017 was principally a result of cash proceeds from the issuance of ordinary shares due to warrants exercised, 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 2017.

Liquidity

Strong cash flow from operations and a longer average loan maturity led to a high liquidity position for the Company. As at December 2017, IVL had liquidity of THB 63,356.0 million, in the form of cash and cash under management, plus un-utilized 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 1.4 times at the end of 2017, slightly increased from 1.3 times in 2016. 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 20.3% and 19.2% in 2017 and 2016, respectively. In addition, IVL achieved core ROE of 16.5% in 2017 compared to 12.4% in 2016, a significant increase of 33.2%. 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 2017 and 2016, our ROA ratio was 8.7% and 9.4%, respectively. The decrease in ROA was mainly because of large amount of gain on bargain purchase from major strategic acquisitions of BP Decatur and Cepsa Spain recognized in 2016 whereas gain on bargain purchase was lower in 2017. However, IVL achieved core ROA of 8.1% in 2017 compared to 6.7% in 2016, representing a 21.1% increase which was 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, 2017 and 2016, our net interest bearing debt-to-equity stood at 0.75 times and 1.06 times, respectively. The Company's gearing ratio decreased from last year as the Company raised cash through the issuance of ordinary shares due to warrants exercised, which was used to support the repayment of loans, the 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, 2017 and 2016, our DSCR was at 3.6 times and 2.9 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 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:

The Enterprise Risk Management framework uses top-down and bottom-up approaches to identify and manage business risks at 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. Business heads in the Sustainability and Risk Management Committee, as well as the Business Risk Management Committees, monitor key risks and ensure adequate preventive measures and mitigation controls. All significant risks identified are analyzed, recorded and reported. The risk management report and mitigation plan are reviewed quarterly by the committees at 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 related 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 2017, IVL has 75 operating sites in 25 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 to the Company 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 laggards on climate action risk may face damage to their reputation and brand image.

Climate Change is an opportunity: At the same time, climate change is also perceived as an opportunity as changes in regulations will drive the Company towards using more renewable energy, innovation and production of low-carbon products thereby making the Company as one of the customers' and consumers' preferred company and financial gain through lowering overall cost of production.

The following are possible climate change opportunities:

- Tax incentives for increased use of renewable energy
- Savings from global carbon and emission trading schemes due to reductions in carbon emissions
- An enhanced reputation for being an environmentally-friendly company
- Becoming the most preferred company on the part of consumers

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 2016.

The Company has also participated in CDP's Climate Change and Supply Chain Assessments in 2017 and received a 'B' rating in both assessments. 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

Other risk mitigation measures taken include:

- Our continued focus on accelerating innovation, recycling and developing a circular economy
- Increased focus on renewable energy
- Carbon footprint reduction in all our operations through life cycle assessment and management, greenhouse gases accounting, energy and environment management
- Producing low carbon products, improving operational eco-efficiency within IVL operations and in value chain, lowering product toxicity
- Water risk assessment globally in all our operations and initiate water management
- Light weighting of our products
- Strategic moves to be in close proximity to our customers and suppliers to avoid supply chain risks
- Exploring opportunities for more post-consumer recycling of our products, increased usage 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 rapidly increasing globally annually. This presents new challenges and risks, such as political instability; the safety and security of employees, tangible and intangible property due to increased terrorist attacks in new countries; anti-national or communal activities, unanticipated economic developments, and rapid changes in legislation, regulations, standards, or pandemic diseases. We may also have to comply with inconsistent or unexpected changes in foreign laws; currency controls, tax regulations, and changes in international tax treaties; the imposition of duties on imports; anti-dumping duties; environmental and regulatory requirements, or import and export controls. Many of these could be beyond our control and could have an adverse impact on the Company.

Risk Mitigation Actions:

IVL has considered the likelihood and potential business impact of each risk and has undertaken the following mitigation actions:

- Long-term and short-term sensitivity analyses of the Company's business plans; correlation of various risks to the business.
- Stringent due diligence process to benefit from opportunities and mitigate business risks including, but not limited to, an 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 political, economic and legislative conditions of each country, including threats from anti-national and terrorist activities, safety and security of employees, and the assets of the Company.

Cyber Threats

We may not be sufficiently prepared to manage cyber threats that may disrupt our operations or damage our corporate brand.

Fundamental things that we undertake in order to drive performance and the execution of business strategies may also be the things that create cyber security risks. This includes globalization, mergers and acquisitions, extension of third-party networks and relationships, outsourcing, the adoption of new technologies; the movement to cloud-based computing, or mobility.

Events may be deliberately malicious acts, such as hacking to compromise sensitive information, but may also be unintentional, such as a user error that makes a system temporarily unavailable.

Risk events may come from sources outside the company, such as cybercriminals or supply chain partners, or ones inside the company such as employees or contractors.

We recognize potential impacts like operational delays (production downtimes or plant and utility outages); the inability to manage the supply chain; inability to process customer transactions or otherwise service customers; inventory management disruptions; lost R&D data; and intellectual property devaluation.

Any cybersecurity failures may have a quantitative impact, such as fines, legal fees, lost productivity and mitigation, remediation, and incident response, while others costs might be qualitative and long lasting like diminished brand equity, reduced goodwill, and the loss of intellectual property, which might lead to a weaker market position or, lack of competitive advantage. There are third party impacts in both directions. It is possible that a third party experiences a loss event, and, while unintentional; this could affect deadlines, or worse, reveal proprietary information.

Risk Mitigation Actions:

- We have the capability to reduce the impact and proliferation of an event; to identify and classify applications, databases, systems, and information. We can minimize insider risks by keeping a closer watch on user activities, analyzing user behavior, and regularly assessing risks to proactively spot weaknesses and improve their security posture.
- By enhancing security and privacy capabilities across the company, we establish stricter control over user IT activities in order to keep sensitive information secure and prevent insider breaches.
- The ongoing assessment of security threats, balanced against the existence and adequacy of security controls is to ensure that security controls and countermeasures in place are commensurate with potential risks.

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 sustainable long-term customer relationships. We often compete with large multinational

companies as well as 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.

We 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 experienced periods of overcapacity, 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 and Yarns (both Polyester and non-Polyester) and PET resins operate in industries where our competitors have substantial intellectual property portfolios. The continued success of this business depends on our ability not only to protect our own technologies and trade secrets, but also to develop and sell new products that do not infringe on existing patents or threaten existing customer relationships. Intellectual property litigation can be very costly and could result in substantial expense and diversions of resources, both of which could adversely affect our businesses, financial condition and results. Furthermore, 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 and yarns business and to a lesser extent in PET resins.

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

We rely on information technology (IT) systems to handle our businesses. Any systemic failure for whatever reason 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.

Risk Mitigating Actions:

IVL adopts IT policies, processes and procedures to manage and protect IT risks. These policies and procedures are implemented as guidelines to IT team and users. All policies and processes are reviewed and revised as appropriate.

IT Infrastructure and IT Applications are provided to ensure adequate resource allocation and optimal system that aligns strategies and goals of the company.

We have IT assessment by external as well as internal auditors. Moreover, we conduct IT internal assessment of all sites accordance with IT general controls (ITGC) and report to senior management and SRMC.

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 cash conversion costs in countries where we operate. As we consume natural gas at certain locations, the volatility of natural gas prices can benefit or adversely affect our performance.

Risk Mitigating Actions:

The losses or gains due to marking-to-market our inventories are largely mitigated by cash inflows respectively, in our net working capital.

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 US) 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 of these items, which are then subject to supply and demand forces, 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 weaknesses in demand for, or oversupply of, our products.

However, the Company regulates somewhat its main raw materials such as PX and Ethylene by entering into long-term purchase agreements with suppliers where possible.

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, insurance, tax 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 in 3.3.1, 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 it from floods.
- Geographical 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, AlphaPet PET, Indorama Ventures Europe BV, Indorama Polyester Industries' Map Ta Phut polyester, TPT Petrochemicals PTA, Indorama PET Nigeria Limited, Guangdong IVL PET Polymer Company Limited, Indorama Ventures Poland Sp. Z.o.o., IVL Adana PET and others are co-located at sites where our neighbors face the same operational risks and, in some cases, they provide critical supplies and/or

services, and any disruption in those supplies and/or services could affect our operations.

Management Risk

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

As part of our strategy, we may seek further growth through acquisitions of 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, customer or 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 the 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. IVL has a 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 use the 'Indorama' wordmark. We do not control the usage of the wordmark by 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 Pcl, listed and headquartered in Thailand.

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

The Lohia family holds around 65.88% 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, 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.

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 the receivables in the Statement of Financial Position.

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

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

As a holding company, the Company is dependent on the receipt of dividends from its subsidiaries and associated companies, for which payment will depend on their future financial performance, which, in turn, depends on successfully implementing their strategies as well as 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 impact by market condition change. The ability of our direct and indirect subsidiaries to pay dividends to their shareholders, including the Company, is subject to applicable 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 95.79 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, 2017, the net debt-to-equity ratio was 0.75:1. 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, 2017 is favourable 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, a lawsuit was filed in the Thai Central Administrative Court (the CAC) against various Thai governmental entities and Ministers (the Respondents) by various Claimants requesting that the CAC render a judgment ordering the Respondents to revoke an environmental impact assessment report (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 the 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 that had not completely complied with the provision of Paragraph 2 of Section 67 of the then Constitution. According to the judgment, the Indorama Petrochem project was not classified as a project for which permission to operate 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 then Constitution. On December 7, 2010, the Respondents submitted the statement of defense against the appeal of the Claimants. As of December 2017, the SAC has not yet issued a judgment on this case.

While Indorama Petrochem was not considered a project for which permission was revoked by the CAC; it therefore can operate its PTA facility. However, the Company cannot ensure that 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, Claimants filed a lawsuit in the CAC against the Respondents (above). This requested the CAC to order 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 those areas may have a serious impact on the community with regard to the quality of the environment, natural resources and health. The Claimants requested that the CAC suspend such projects, activities or operations of applicants or owners because they may have breached relevant procedures specified under the then 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 on the grounds that the facts made 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 final judgment on this case. The operation of the plant is continuing normally.

As of 31 December 2017, 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 a subsidiary 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 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, and 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, known as light weighting, which has achieved this goal and has impacted the demand for PX, PTA and PET resin. However, PET can be recycled and IVL has made investments in PET recycling projects in the 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 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. 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. 1/2018 held on January 30, 2018, 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 2017 and found the internal control systems to be adequate. The internal control systems in use at the Company generally conform 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 is 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 detailed the Code of Conduct, namely the Code of Conduct for Directors, and the Code of Conduct for Employees. These Codes of Conduct are applicable to all Directors and all Employees of Indorama Ventures PCL and its subsidiaries and affiliates. The Code of Conduct for the Company has been announced to all employees and is signed off by them. All new employees are provided with a copy of the Code of Conduct as part of their orientation program and their agreement is obtained. All employees are required to sign the Code of Conduct in case of any revision in the code. The Code of Conduct for employees and Directors is published on the website of Indorama Ventures Public Company Limited.

The Company has a Policy on Internal Information Control and Use of Insider Information to regulate the conduct of all directors, executives and employees in keeping the Company's information confidential and to not 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 with regards to general management, procurement, sales and marketing, and the 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 fraud or misappropriations. There is an adequate segregation of duties with respect to the 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. The Company has a Disaster Recovery Plan for IT processes to bring the IT system back to normal within a specified timeframe.

Information and Communications

The Company and 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 discussions 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 requirements 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 communications 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 or ethics@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. In addition, 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 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 the 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. The IAD 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. In addition, the CSA for Sales & Marketing, Financial Reporting and Inventory Management processes will be circulated to all units. The IAD reviews the CSAs as completed by the business units and reports on their compliance to the AC. The CSA approach will further facilitate the "Risk Awareness Culture" among employees working across all IVL entities.

Head of Internal Audit and Head of Compliance

1. Head of Internal Audit

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

2. Head of Compliance

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





No Compromise on Your Health

Indorama Ventures 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 31st December 2017:

Connected Party & Relationship	Type of Transaction	(Amount in MB)	
		2016	2017
PT. Indo-Rama Synthetics Tbk., Indonesia (PTIRS)	Sale of raw materials/ products/ services/ utilities	1,419.83	1,698.70
<ul style="list-style-type: none"> The majority shareholding of PTIRS is ultimately controlled and held for the benefit of Mr. Sri Prakash Lohia and his immediate family. Mr. Sri Prakash Lohia is the President Commissioner and Mr. Amit Lohia is a Vice President Commissioner of PTIRS. Mr. Sri Prakash Lohia is Chairman and Non-Executive Director and Mr. Amit Lohia is Non- Executive Director of Indorama Ventures Public Company Limited (IVL). 	Purchase of raw materials/ products/ services/ utilities	1,116.53	1,673.04
PT. Indorama Petrochemicals, Indonesia (PTIP)	Sale of raw materials/ products/ rendering of services	10.44	0.00
Jointly controlled company – IVL and PT. Indo-Rama Synthetics Tbk. (PTIRS) indirectly and directly hold 47.25% of the shares of PTIP, respectively.	Purchase of raw materials/ products/ services	7,813.67	7,324.60
Indorama Eleme Petrochemicals Ltd., Nigeria (IEPL)	Purchase of utilities/ services	41.03	88.67
<ul style="list-style-type: none"> The majority shareholding of IEPL is ultimately controlled and held for the benefit of Mr. Sri Prakash Lohia and his immediate family. Mr. Sri Prakash Lohia is the Chairman and Mr. Amit Lohia is a Director of IEPL. 			
Pacific Resources Ltd., Thailand	Service expense (Office Lease)	7.17	7.70
Mr. Anuj Lohia, a son of Mr. Alope Lohia, is the major shareholder of Pacific Resources Ltd.			
Cryoviva (Thailand) Ltd., Thailand	Service income (Office Lease)	1.13	1.13
Mr. Alope Lohia, Director of IVL is an indirect shareholder of Cryoviva (Thailand) Ltd.			
PT. Irama Unggul, Indonesia (IU)	Service expense (Office Lease)	1.23	1.23
<ul style="list-style-type: none"> The majority shareholding in IU is ultimately controlled and held for the benefit of Mr. Sri Prakash Lohia and his immediate family. Mr. Sri Prakash Lohia is the President Commissioner of IU. 			

Connected Party & Relationship	Type of Transaction	(Amount in MB)	
		2016	2017
Lohia Global Holdings Limited, Hong Kong	Service expense (Royalty Fee for Indorama trade name)	147.41	174.77
Lohia Global Holdings Limited is owned by Ms. Shruti Lohia, daughter of Mr. Sri Prakash Lohia.			
Vega Aviation Limited, British Virgin Islands	Service expense (Aircraft Lease)	88.22	94.84
Vega Aviation Limited is a Company which is 100% owned by Canopus International Limited, Mauritius, a company owned by the family of Mr. Sri Prakash Lohia and Mr. Alope Lohia.			
Thai Plaspac Public Co., Ltd, Thailand	Sale of products	29.46	0.00
<ul style="list-style-type: none"> Mr. Anuj Lohia, son of Mr. Alope Lohia, is a major shareholder. Mr. Kevin Qumar Sharma, son-in-law of Mr. Alope Lohia, is CEO. 			
Yayasan Pendidikan Indorama, Indonesia (YP)	Service Expense (Job work)	11.27	17.42
The sole trustee of YP is Mr. Sri Prakash Lohia and Mr. Amit Lohia is Chairman of the Advisory Board of YP.			

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.

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.



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.



CORPORATE GOVERNANCE REPORT 2017

The Board of Directors and the management of Indorama Ventures has firmly committed to implementing and practicing good corporate governance and will continue to cover new corporate Governance Code for listed Companies 2017 and recommendations of the Securities Exchange Commission, Stock Exchange of Thailand, Institute of Directors, Thailand and others. The Company believes that corporate governance is an important part of sustainability and therefore this ensures that all employees of IVL are aware of the principles and practices that IVL promotes.

Corporate Governance Policy

IVL has a 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, managements and employees.

Furthermore, the Board of Directors performs its duties as suggested in the Corporate Governance Code for listed companies 2017 (the Code) issued by The Securities and Exchange Commission (SEC). It consists of 8 principles: 1) Establish clear leadership role and responsibilities of the Board 2). Define objectives that promote sustainable value creation 3). Strengthen Board effectiveness 4). Ensure effective CEO and people management 5). Nurture innovation and responsible business 6). Strengthen effective risk management and internal control 7). Ensure disclosure and financial integrity 8). Ensure engagement and communication with shareholders. 97% of recommendations under each principle have been implemented. The Board of Directors will consider how it can apply the rest of the suggestions appropriately.

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.

IVL Corporate Governance Awareness Campaign 2017

IVL has had a Corporate Governance Policy Awareness Campaign (CGPAC) since 2013. 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 17 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 2017, our policy handbook was distributed to all plants acquired during the year 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 reported to the Board in November 2017. 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.

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 international transparency standards.

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 2017 the Company received the following assessment and awards:

1. A score of 100 percent for the 2017 Annual General Meeting of Shareholders, judged by the Thai Investors Association. This was the sixth 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 fifth consecutive year that IVL received the "5 star" rating.
3. The company has been listed in the Leading SET Index 2017 Bloomberg ESG Disclosure Scores.
4. The ESG100 Certificate for outstanding sustainability performance on the basis performance on the basis of Environmental, Social and Governance (ESG) from Thaipat Institute for the third consecutive year.
5. The company has been listed in the RobecoSAM's Sustainability Year book 2017 and Silver Class and Industry mover distinction for its excellent sustainability performance.

6. The company was awarded **SET Sustainability Awards 2017** in the category of Rising Star by Stock Exchange of Thailand.
7. The company won a **Sustainability Report** award from SET in 2017 for the fourth consecutive year.
8. The company has been listed in the **FTSE4Good Emerging Index** and the **FTSE4Good ASEAN 5 Index**.
9. The company received a **Gold Recognition** level for sustainability from **EcoVadis**. The achievement places the company at the top 4% of basic chemicals and Top 3% of suppliers assessed by EcoVadis in all categories.

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 whose term expired on September 18, 2017 was appointed for another two years until September 18, 2019 by the Board at its meeting no: 5/2017 dated August 10, 2017. The Audit Committee held six meetings during the year with the attendance of members as follows:

Name	Attendance
Mr. Rathian Srimongkol *	6/6
Mr. Maris Samaram *	6/6
Dr. Siri Ganjarerndee *	5/6

* 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 2017, 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 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, GCEO from a member on the Committee to an advisor and the appointment of Mr. Chakramon Phasukavanich as the new member of the NCCG Committee. All members on the Committee are independent directors. The term of the Committee expires in May 2018.

The Nomination, Compensation and Corporate Governance Committee held four meetings during 2017 with the attendance

of members as follows:

Name	Attendance
Mr. William Ellwood Heinecke	4/4
Mr. Alope Lohia*	1/1
Dr. Siri Ganjarerndee	4/4
Mr. Kanit Si	4/4
Mr. Chakramon Phasukavanich**	3/3

*Mr. Alope Lohia resigned from his position as a member and was appointed as an advisor.

** Mr. Chakramon Phasukavanich was appointed as member on the NCCG Committee on February 17, 2017.

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, CEO of the Fibers Business and Mr. Russell Leighton Kekuewa, Independent Director. The current term of the SRMC Committee expired in August 2017 and was re-appointed by the Board for another two years until August 2019 at their Board meeting no 3/2017 held on May 11, 2017. The SRMC Committee held two meetings during the year with the attendance of members as follows:

Name	Attendance
Mr. Aloke Lohia	1/2
Mr. Rathian Srimongkol	2/2
Mr. Maris Samaram	2/2
Mr. Dilip Kumar Agarwal	2/2
Mr. Udey Paul Singh Gill	2/2
Mr. Russell Leighton Kekuewa	2/2

The main duties and responsibilities of the SRMC Committee are:

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

Selection and Appointment of Directors and Group CEO

Directors

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

1. To conduct the business of the Company, the Board of Directors shall consist of at least five directors. Not less than one-half of all directors shall have residence in the Kingdom of Thailand.
2. The appointment of a director shall be made by a majority vote of the shareholders meeting in accordance with the following conditions and procedures:
 - (a) A shareholder shall have one vote for each share;
 - (b) The shareholder shall vote for the election of each director in turn, person by person;
 - (c) Each shareholder may exercise all the votes he or she has (a) to elect one or several persons as a director or directors, but the shareholder cannot divide his or her votes to any nominated director by any an allotment of shares of any number;
 - (d) The persons receiving the most votes are those who are elected to be directors, in descending order, to the number of directors who are to be elected. If there is a tie in the last to be elected and this exceeds the said number of directors, the presiding chairman shall have the casting vote.
3. At every annual general meeting, one-third of the total number of the directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has been in office for the longest term shall retire. A retiring director is eligible for re-election.
4. Any director wishing to resign from the director's position shall submit a resignation letter to the Company. The resignation shall take effect upon the date on which the resignation letter reaches the Company.
5. The Shareholders' Meeting may pass a resolution removing any director prior to retirement by rotation, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote, and the shares held by them shall not, in aggregate, be less than one half the number of the shares held by the shareholders attending the meeting and having the right to vote.

Qualifications of a Director

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

5. Be an individual with honesty, integrity and high morals.

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

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

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

Qualifications of an Independent Director

1. Shareholding not exceeding 0.75% of the total shares with voting rights of the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company (to be calculated by including the shares held by any related persons of said independent director);
2. Not being, nor having been, a director who participates in the management, or as an employee, staff member or advisor who receives a regular salary, or a controlling person of the Company, its parent company, subsidiary company, its associated company, its subsidiary company at the same level, major shareholder or controlling person of the Company unless the holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC. However, such prohibition shall not apply in the case where the independent director has been a government official or consultant of the government sector, which is a major shareholder, or controlling person of the Company;
3. Not being a person who has a blood relationship or registration under law, as father, mother, spouse, sibling and child, including spouse of a child, of its executives, its major shareholders, its controlling person or the person who will be nominated to take up the position of executive or controlling person of the Company or its subsidiary;
4. Not having, or not having had, any business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company in a manner which may obstruct its independent judgment, and not being or not having been a substantial shareholder or controlling person of a person who has a business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, unless such business relationship has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC;
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.

Lead Independent Director

In continuation of good governance recommendations and practices, the Board at its meeting in February 2018, approved the appointment of a Lead Independent Director.

The Role and responsibility of the Lead Independent Director

- Serving as a liaison between independent directors and management
- Having authority to call meetings of the independent directors
- Presiding at, and preparing the agenda for, all executive sessions of the non-management directors and the independent director meetings and providing feedback to senior management.
- Communicating with other independent directors whether they would like to have any items to be included in meeting agendas.
- Working with the Chairman of the Board of Directors and members of management to assure the adequacy and timing of information provided to the Board of Directors
- Retaining outside advisors to the Board of Directors, if necessary or desirable
- Being available for consultation and direct communication with major stockholder if requested

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 have at least one experienced representative from Thailand to be a director of its operating subsidiaries and associated companies; who has the requisite qualification 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 Corporate Secretarial department at Thailand has a dedicated senior staff to follow up on all IVL subsidiary companies quarterly Board and Shareholder meetings as applicable. In this regard they monitor by a global meeting control statement.

The core subsidiary Companies of IVL held 464 Board and Shareholders' Meetings in 2017, which are summarized below:

REGION	No of Companies	No of Meetings
Asia	30	156
Europe	37	189
Americas	38	94
Africa	4	25

Apart from those meetings, there were also management and executive committee meetings of respective businesses 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, staffs 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

- 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 2017 for IVL and all its subsidiaries, jointly controlled entities and associates globally were as following:

Particulars	Unit: Million Baht	
	2016	2017
1. The total audit fees for IVL and all its subsidiaries, jointly-controlled entities and associates globally	141	148
a) Payment to KPMG Phoomchai Audit Ltd and other members firms of KPMG Phoomchai Audit Ltd.	133	137
b) Other Audit firms	8	11
2. The total non-audit fees paid to member firms of KPMG International other than KPMG Phoomchai Audit Ltd *	35	76

* The amount of non-audit fees relates to tax advice, due diligence in relation to the acquisitions, restructuring, additional Consolidated Financial Statements for Indorama Netherlands B.V. and other advisory services

The Practice of Corporate Governance in 2017

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.

- The company has a Chairman of the Board who is a Non-executive Director and a major shareholder, who was chosen because of his vast experience in what is a very complex industry. The Chairman has no role in the management of the Company but his experience is called upon to advise the Board as necessary.
- 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."
- The Company has formalised the appointment a Lead Independent Director in February 2018.
- The Nomination Committee has the Group CEO as an advisor along with for Independent Directors in order to ensure quick response and implementation of recommendations made by the Independent members.
- 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.
- 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.1/2017 held on April 26, 2017.



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 4, 2017. 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 2018.

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 (2016) and the three reviewed quarterly financial statements of 2017 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 27, 2017 to visit the factories at Lopburi and the second trip was organized on October 17, 2017 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 Annual General Meeting of Shareholders No. 1/2017 was held on April 26, 2017 and the Notice was issued out on March 24, 2017.

All information sent to the shareholders was posted on the Company's website both in English and Thai on March 7 2017 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 7, 2017.

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. 1/2017 held on April 26, 2017.

b) Re-appointment of retiring Directors

In 2017, 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 2017 and the annual bonus for all IVL Directors payable for 2016 performance 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. In 2017, the NCCG Committee recommended some modification to the point system in relation to attendance and this was agreed to by the Board. There was no change in the retainer fee in 2017. No retainer fee is paid to the Executive Directors on the Board of IVL.

Details of remuneration in 2017 paid to the Independent Directors and Non-Executive Directors and the bonus for 2016 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 2017 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 2016 and 2017 and separately Company

audit fee proposed in 2017, 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 2016 performance at Baht 0.66 per. Out of the said final dividend, an interim dividend of Baht 0.30 per share was paid by the Company on September 07, 2016 and the Company paid the remaining dividend of Baht 0.36 per share on May 23, 2017.

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 2016, the AGM was held on April 26, 2017. The meeting started with 2,014 shareholders in person or proxy and representing 82.83% of the total shares sold. At the close of the meeting there were 2,378 shareholders in person or proxy and representing 83.82% The meeting started at 2.00 pm and ended at 5.30 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 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 2017, 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.

The CAC Certification received by the Company in 2014 expired during the year and the same is under renewal process.

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 11,000 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
- Diversity Policy

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.

These policies have been circulated globally and uploaded to the Company's website.

As part of the CGPAC initiative and in order to develop and improve the relationship between IVL and its stakeholders, the management will on a continuous basis reinforce that everyone working at IVL is aware of and understands all the stakeholder related policies and that they are implemented in the spirit that they were created through continuous program of training, seminars and monitored implementation

The policies are reviewed annually and changes are implemented as required.

The Company publishes a sustainability report every year. This is available on the Company's website in the corporate document section.

Shareholders:

IVL and its subsidiaries strive to conduct its business in a transparent and efficient manner with a view to enhancing shareholder value and returns. We will seek new businesses and projects that are accretive to shareholder value only.



Customers:

IVL and its subsidiaries will strive to maintain and strengthen its long-term and loyal relationships with its customers and is determined to ensure customer delight by providing high quality products and services that best fit customer needs at competitive prices, supported by a high standard of service and accurate information regarding our operations and products.

The Company believes in and will strive to keep communication channels open for constant customer feedback.

Personnel:

All personnel of IVL and its subsidiaries are considered 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 and 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 2017, six 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 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 based on the recommendation of the Nomination, Compensation and Corporate Governance sub-committee.

- Charter of the Board of Directors- May 11, 2017
- Nomination, Compensation and Corporate Governance Committee Charter- May 11, 2017
- Environment Policy- February 17, 2017
- Diversity Policy- February 17, 2017
- Code of Conduct for employees- February 17, 2017

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.

In 2017, 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 shareholding of Directors, Management including their spouses and minor children for the period January 1, 2017 to December 31, 2017 is as follows:

Report of Changes in Securities Holding of the Company's Directors and Executives as at 31st December 2017

No.	Name	Ordinary Shares (Shares)				
		As at 31 Dec 2016		Changes in 2017		As at 31 Dec 2017
		No. of Shares		No. of Shares	No. of Shares	%
1	Mr. Sri Prakash Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
2	Mr. Alope 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	-	Acquisition/Disposition	51,570	51,570	0.001
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
6	Mr. Udey Paul Singh Gill	-	Acquisition/Disposition	36,346	36,346	0.001
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
7	Mr. Sanjay Ahuja	-	Acquisition/Disposition	30,004	30,004	0.001
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
8	Mr. Rathain Srimongkol	262,000	Acquisition/Disposition	3,200	265,200	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	4,344,932	Acquisition/Disposition	(1,350,000)	2,994,932	0.057
	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	100,000	300,000	0.006
	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	489,000	Acquisition/Disposition	-	489,000	0.009
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
15	Mr. Manoj Kumar Sharma	-	Acquisition/Disposition	9,803	9,803	0.000
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-

No.	Name	Ordinary Shares (Shares)				
		As at 31 Dec 2016	Changes in 2017	As at 31 Dec 2017		
		No. of Shares		No. of Shares	No. of Shares	%
16	Mr. Souvik Roy Chowdhury	17,000	Acquisition/Disposition	(4,823)	12,177	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 2017

No.	Name	Warrants - IVL - W2 (Units)				
		As at 31 Dec 2016	Changes in 2017	As at 31 Dec 2017		
		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)	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
9	Mr. Maris Samaram	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
10	Mr. William Ellwood Heinecke	-	Acquisition/Disposition	-	-	-
	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 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	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-

The individual shareholdings of Directors, Management, including their spouse and minor children for the period January 1, 2017 to December 31, 2017 was as follows:

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.

All IVL directors and management are required to report their interest, if any in the designated "Declaration of Interest" Form of the Company beginning of each year. Such forms are kept at the Company Secretarial department.

Responsibility of the Board

1. Responsibility and Duties of the Board of Directors

The Board of Directors of IVL has the vision, mission, value statement, plans, strategies, key policies and budgets of the Company with a view to effectively and efficiently managing the business for maximum shareholder value. Detailed budgets and plans are formulated for the Company and its subsidiaries. The Board closely monitors the management and implementation of business plans to achieve targets. The Board also sets internal controls and audit procedures, including risk management. All major CAPEX requires the approval of the Board. Detailed presentations are made by the respective business segment head.

At the beginning of each year the Board holds a "Strategy and Annual Business Plan" meeting and at the meeting the Vision and Mission statement is reviewed along with the Strategy as presented by management. At the strategy meeting key executives from all IVL units participate and discuss their performance and strategies both in the short and long term with the senior management and Board members. Such meetings give the Board and especially the Independent Directors ample opportunity to interact and discuss with the respective executives about their business plans and performance and also to understand the various businesses that IVL operates. Where necessary suggestions are made by the Board.

After presentation of all Business segments' plans, the Annual Plan for the year is thereafter approved by the Board of Directors. 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

The average attendance for the Board meeting held during 2017 has been approx. 71% (over 2/3rd). For the Annual Budget approval and four quarterly meetings the attendance was over 90%. For each Agenda items 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 2017 to apprise investors from both buy and sell side of the work completed by the management over the course of the year. Senior management from global business units was introduced to investors, who had the opportunity to raise questions about the business.



Other Roles and Responsibilities of the Board

- To conduct their duties in compliance with the laws, objectives, articles of association and resolutions of shareholders' meetings with duty of care and duty of loyalty.
- To formulate and approve the vision, strategies, business directions, policies, targets, guidelines, plans of work and budget of the Company and its subsidiaries as prepared by management and oversee the administration and the performance of the management or any persons assigned to do such work to ensure compliance with the policies set out by the Board of Directors.
- To follow-up the outcome of work to ensure compliance with the plan and budget on an ongoing basis.
- To ensure that the Company and its subsidiaries adopt and set in place an appropriate, strong and effective accounting system including an internal control and internal audit system.
- To review the risk management procedures and policies and also follow up on the results.
- To set in place the corporate governance policy and its effective implementation.
- To appoint the sub-committees such as Audit Committee, Nomination, Remuneration and Corporate Governance Committee, or any other sub committees in order to assist the Board of Directors duties.
- To appoint the senior executive positions of the Company such as Chairman of Executive Committee, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer and any other senior officer as deemed necessary.

- To appoint the Company Secretary to assist the Board of Directors in its various activities to run the business in line with the related laws and regulations.
- To seek professional opinions from external agencies, if required in order to take appropriate decisions.
- To encourage directors and executives to attend the seminar program of Thai Institute Directors Association (Thai-IOD) in the course that related to their duties and responsibilities.

In any case, the authorization of duties and responsibilities of the Board of Directors of the Company shall not constitute an authorization or sub-authorization which may cause the Board of Directors of the Company or its authorized person(s) to be able to approve any transaction that such person or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory Board) may have an interest or may benefit in any manner or may have any other conflict of interest with the Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the shareholders meeting or the Board of Directors meeting. In order to achieve a balance of power, the position of the Chairman of the Board and that of the Group CEO are different. The Chairman of the Board of Directors is a Non-Executive Director.

2. Board Structure

There are 14 Directors on the IVL Board comprising of five Executive Directors, two Non-Executive Directors and seven Independent Directors. The Board has a diversity of nationalities, genders, ages and skills. It does not discriminate against female directors and hires according to availability and qualifications.

The Board structure is appropriate in relation to the size of the Company, number of Executive, Non-Executive and Independent Directors and qualification in terms of knowledge and expertise and provides a fair balance of power and effective management monitoring. The Company intends to maintain this broad base of knowledge and experience when it searches for new Directors in future. The Board has a policy to seek the services of a professional search firm when necessary to replace or nominate a new director.

The role of the Board is clearly set out in the Board of Directors Charter.

Role and Responsibility of Chairman

The principle role of the Chairman of the Board is to ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy.

The Chairman plays a pivotal leadership role in ensuring that the Board works effectively. The key roles of the Chairman are:

- Determining the composition, size and structure of the Board in order to create a balance between executive directors and independent directors.
- Ensuring the Board and its committees are properly established, composed and operated.
- Ensuring the effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
- Ensuring the participation of the executives, non-executives and independent directors in the Board's decision processes and activities.
- Ensuring the whole Board plays a constructive part in developing and determining the Company's strategy and objectives.
- Ensuring comprehensive induction programs for new directors.
- Acting in the key role of governing the Board and fostering teamwork and mutual dedication for the sustainable success of the organization.
- Engaging the Board regularly in assessing and developing its performance and communicating expectations to directors and manage directors' performance.
- Ensuring that the company has succession plans for senior executives.
- Acting as Chair at the Board's and Shareholders' meetings together with setting the agenda in consultation with the directors, 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.

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 2017.

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 that the industry is extremely complex and takes many years of study in order to be able to play a role in the Board. The current independent directors have shown their value over the years and will continue to play an important role in the company. Replacing directors with many years of our industry experience would seriously hinder the Board's ability to operate at an optimal level. However, they all take their independence seriously and play their role as an independent director. The NCCG Committee and the Board 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 sub-committee members carried out a self-evaluation on the Board and sub-committee performance in 2017. The results were summarized and discussed at the Board meeting held in February 2018. The Board and subcommittee members were evaluated as having given very good performance rating in 2017.

The Board at its meeting in February 2018 has approved to have a third party evaluation done on the Board performance.

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 seven meetings during 2017. 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 March 3, 2017 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 January 23, 2018.

The Chairman, Group CEO and Company Secretary set the Board meeting agenda and the Company Secretary sends invitation letter 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 2017

Name	Mr. Sanjay Ahuja
Mr. Sri Prakash Lohia	5/7
Mr. Aloke Lohia	7/7
Mrs. Suchitra Lohia	6/7
Mr. Amit Lohia	5/7
Mr. Dilip Kumar Agarwal	7/7
Mr. Uday Paul Singh Gill	7/7
Mr. Rathian Srimongkol	7/7
Mr. William Ellwood Heinecke	4/7
Mr. Maris Samaram	7/7
Dr. Siri Ganjarerndee	7/7
Mr. Kanit Si	7/7
Mr. Russell Leighton Kekuwa	6/7
Mr. Chakramon Phasukavanich	6/7
Mr. Sanjay Ahuja	7/7

*The average attendance of 11 out of the total 14 Directors for the year 2017 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 recommend by the NCCG Committee requires the approval of the Shareholders' Meeting.

The Policy and criteria followed by the NCCG Committee has been explained above in the section on Approving Directors Remuneration.

In 2017, the total annual remuneration approved at the Annual General Meeting of Shareholders No. 1/2017 held on April 26 2017 was an amount of not exceeding Baht 20,100,000.

The actual remuneration paid in 2017 is Baht 19,994,970 against the approved amount of Baht 20,100,000. 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
4	Mr. Chakramon Phasukavanich*	25,000 per month	275,000
Total			1,295,000

* Mr. Chakramaon Phasukavanich joined the Committee from February 2017.

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 2016

No.	Directors	Actual Paid (Baht)
1	Mr. Sri Prakash Lohia	877,190
2	Mr. Alope Lohia	877,190
3	Mrs. Suchitra Lohia	526,320
4	Mr. Amit Lohia	701,750
5	Mr. Dilip Kumar Agarwal	701,750
6	Mr. Udey Paul Singh Gill	701,750
7	Mr. Sanjay Ahuja	701,750
8	Mr. Rathian Srimongkol	1,052,630
9	Mr. Maris Samaram	701,750
10	Mr. William Ellwood Heinecke	526,320
11	Dr. Siri Ganjarende	701,750
12	Mr. Kanit Si	526,320
13	Mr. Russell Leighton Kekuwa	701,750
14	Mr. Chakramon Phasukavanich	701,750
Total		9,999,970

Remark: 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 2017 was approx. Baht 114.90 million 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 (Million Baht)
1	Mr. Dilip Kumar Agarwal, CEO of PET and Feedstock business	28.02
2	Mr. Udey Paul Singh Gill, CEO of Fibers business	21.33

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 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 2017 was held from January 23-26, 2017 in Kaiping province, China.

13. Professional Development of Directors

Directors who join the Company during the year are given a Directors Orientation folder with complete information about the Company and its subsidiaries to assist them in getting well acquainted with the business, practices and procedures of the Company and their rights, duties and obligations as Director. In addition orientation meetings are 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.

The Chairman Mr. Sri Prakash Lohia attended training on the Role of the Director and Board, organized by the Institute of Directors, United Kingdom on July 10-11, 2017.

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.

OUR PEOPLE

“We successfully realize and sustain our transformation by harnessing the energy, enthusiasm, skills and expertise of our people.”

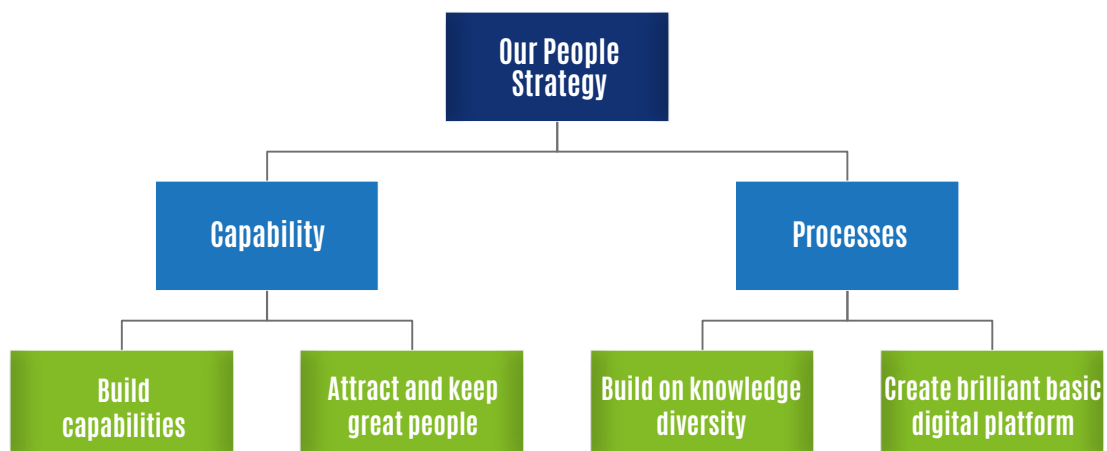
Our success in championing better work and working lives is made possible by the strength of our brand and reputation. Our people are our brand, so it's no cliché to say that we couldn't achieve all that we do at Indorama Ventures without the continued commitment of our employees. We strongly believe that “Our People make the Difference”, which is one of our core values.

As we transform our business, we engage all our colleagues to feel energized and excited to play their role in the organization. We provide many opportunities to employees to grow with the belief that with growth of the employees, the company also

grows. At Indorama Ventures, we are committed to providing our people with a working life that enables everyone to become involved in the success of the organization, have career opportunities, and feel supported in their personal well-being.

The goal of our people strategy is to ensure that we have the right people in the right place at the right time to deliver our ambition; and that our colleagues feel involved and equipped, and have the confidence to do their best work. To realize our ambition “to be a world class chemical company making great products for society”, our endeavor is to embrace diversity, which we do by building on the strong local identities and teams across all our diverse units and businesses segments.

People Strategy



HIGHLIGHTS 2017



93.75% Response to Global Employee Engagement Survey

Employee participation level marks an improvement over 2016 (93.66%) and 2015 (90.5%).



3.83 Employee Engagement Score

This score is calculated on a scale of 1 to 5, and shows an improvement over 2016 (3.70) and 2015 (3.64).



94.01% Retention Rate

Retention rate has increased by 0.81 percentage compared to 2016.



63 Nationalities 22% Female Workforce



22.71 Average Training Hours

Average Training Hours per employee is 15% higher than 2016



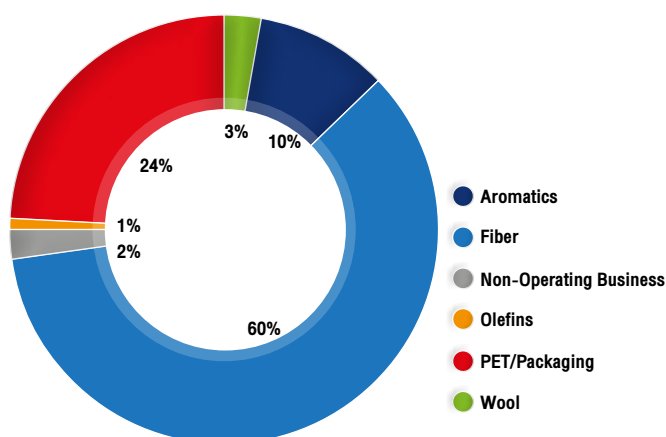
Campus Connect Program

Campus Connect program with selected top colleges was initiated, which will result in inducting best-fit students.

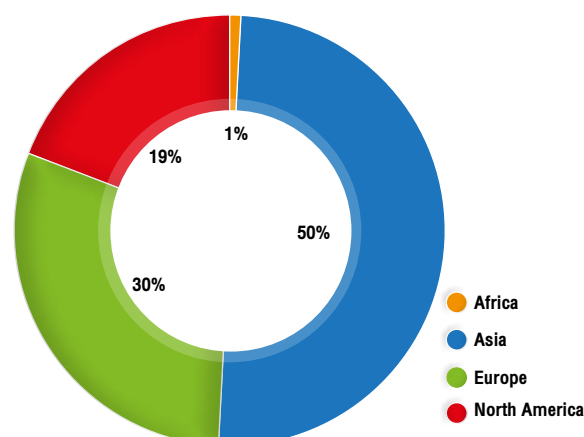
Global Workforce

We employ 16,021 people globally. The employees are located across four continents - Asia, Europe, North America and Africa. Key highlights of our global workforce distribution in terms of percentage are as follows:

Permanent employees across Business



Permanent employees across continents



Attraction and Retention of Talent

In 2017, Indorama Ventures embarked upon a talent sourcing initiative by introducing an online career section at the Indorama Ventures website. This enabled us to engage with a live stream of potential talent. While job sites and sourcing partners continued to be key channels for attracting and engaging with lateral talent, our employees also play a role by referring the right talent.

Our quest to engage, develop talent and offer adequate compensation resulted in improving retention. The overall retention rate in 2017 has increased by 0.81%:

	2017	2016
Retention Rate	94.01%	93.25%

Learning and Development

At Indorama Ventures, we believe that everyone has talent which can be sharpened using the 3E framework of Experience, Education and Exposure. Employees get rotated within/ across functions, locations and businesses. Learning transcends the classroom training. The learning experience is embedded through on-the-job training, exposure to latest technology, networking opportunities in trade/ professional bodies, access to online learning platforms, and internal trainers.

Leadership capabilities are enhanced through global leadership development initiatives like IVLDP and then i-Lead. Each of these programs acts as a medium to provide a structured learning environment, which builds skills using a blended approach of business learning through exposure, cross functional roles, action learning projects and e-learning. Besides these, there are number of learning initiatives within each of the units, which are based on local requirements. Safety continues to be our area of focus, and besides investing significantly in Safety programs, we've built stronger commitments to safety by linking variable pay to the safety record of the business for the year.

Case study: Campus Connect - Thailand

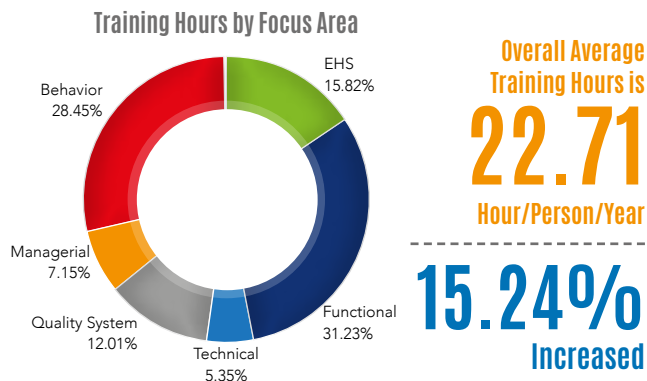
There is a focused attempt to bring fresh young blood in Indorama Ventures. The company started attracting students from the best universities. The selected students, both men and women, are given paid internships and they are exposed to the complexities of business operations through live projects under a mentor.

Step 1: In 2017, 16 paid interns were taken from the best universities in Thailand. They learnt significant skills as reported by the universities.

Step 2: In 2018, these paid interns will be given pre-placement offers to join our organization based on their performance during the internship period. New interns will also be taken in 2018.

Learning and Development

Key highlights of global workforce as 31st Dec 2017 are as follows:



Focus Area	Training Hours
Behavior	105,154
EHS	53,970
Functional	106,568
Managerial	19,771
Quality System	47,822
Technical	30,489
Total	363,774

In our pursuit of experiential learning we will continue to invest in education and on-the-job training, as well as providing opportunities for colleagues to explore the facets of experiential learnings as illustrated in the following case study.

Case study: Global Leadership Development

Indorama Ventures started the global leadership development program three years back. The objective of the program is to build a pipeline of talent for senior roles through their exposure across the businesses and functions within a region.

Stage 1: The global leadership development initiative-IVLDP was started in collaboration with Boston Consulting group in 2015 with 60 executives and the next cohort of 70 executives was taken in 2016. These executives were also exposed to different learning tools to assess themselves & their business.

Stage 2: From the group of IVLDP, the advance program called i-LEAD was crafted, which is driven by the Group CEO himself. 27 participants are in the process of completing the first intake. They were divided in regional teams and were given cross-functional exposure to all business segments within a region. As the next step they were asked to review the regional business and to work out a strategy for the region. This is a focused attempt to build leadership capabilities that will be essential for them to transition into more complex roles in the future.

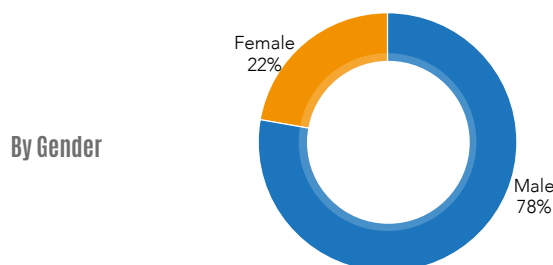
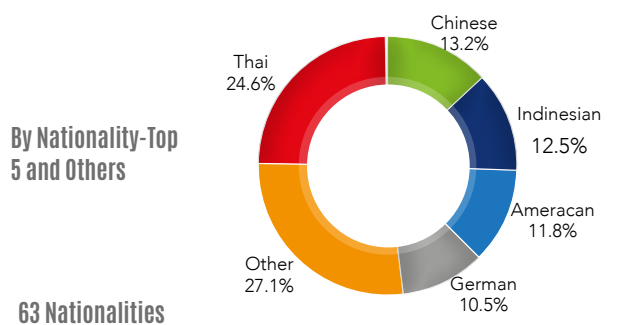
and therefore deliver better business performance.

By embedding D&I in our operations, we have a better understanding of the needs of our employees as well as the needs of our varied customers, partners and stakeholders throughout the world. We also benefit from a wider talent pool. We provide equal opportunity in recruitment, career development, promotion, training and rewards for all employees, including those with disabilities. Where possible, we make reasonable adjustments in job design and provide appropriate training for employees who have become disabled.

We actively monitor representation of women and local nationals in senior leadership positions, and have talent-development processes to support us in delivering more diverse representation. To enhance diversity and inclusiveness in talent development initiatives, we are consciously taking an approach to take onboard a good mix of gender and nationality within our diverse business segments and functions.

Diversity and Inclusion

Key highlights of global workforce as on 31st Dec 2017 are as follows:



Advancing Diversity & Inclusion

We value diversity in all its forms. "Diversity is our Strength" is one of our five core values. Our diversity and inclusion (D&I) approach focuses on talent acquisition, progression, retention and inclusive leadership, as well as on differentiating our external reputation. Our leaders aim to be role models for D&I and assume accountability for continuous progress. We believe that diverse teams led by inclusive leaders are more engaged,

Human Rights

Business flourishes in societies where human rights are respected, upheld and advanced. In support of these principles, in 2017 IVL formalized its commitment to the UN Guiding Principles on Business and Human Rights. We started the yearly global survey from 2015 on Human Rights and continue to work on action plans to mitigate perceived risks. We also engage with our suppliers on their commitment to address human rights issues. Our respective units have taken the initiative of getting SA8000 certification or its equivalent to ensure no violation of Human Rights across the organization.

Employee Communication and Engagement

We strive to maintain a healthy industrial relations environment in which dialogue between management and employees – both directly and, where appropriate, through employee representative bodies – is embedded in our work practices. On a quarterly basis, management briefs employees on our operational and financial results through various channels, including team meetings, face-to-face gatherings and emails.

Strong employee engagement is especially significant in maintaining effective business activity in times of great change. The Global Employee Engagement Survey (GEE) is one of the principal tools used to measure employee engagement, including the degree of affiliation and commitment to Indorama Ventures. It provides insights into employees' views and has had a consistently high response rate. The employee participation level was 93.75% in 2017 compared to 93.66% in 2016. We know from our strong and improving engagement scores (a mean score of 3.83 out of 5, with more than 70% of our people fully engaged) our inclusive approach provides a brilliant sense of being part of a team that is highly valued by our colleagues.

We promote disclosure of any misconduct or views about our processes and practices. In addition to local channels, an email address is given on our website which enables employees to report potential breaches of the Indorama Ventures' Values and Code of Conduct. The Ethics Council takes immediate action on these cases by keeping the confidentiality of the whistleblower, and at the same time reporting on such disclosures to the Nomination, Compensation & Corporate Governance (NCCG) Committee, which consists of 4 Independent Board of Directors.

Employee Partnership in the Company

Employee Joint Investment Program (EJIP) is a campaign designed to be an incentive for the employees to build

a partnership with the Company by virtue of having the Company's shares in their name. EJIP also has the objective of aligning employees' interests with Company's performance through share ownership. The program concept is to allow employees and the Company to invest in existing listed shares in the name of participating employees on monthly basis for a period of time. In 2017 the Company started EJIP as pilot where more than 230 employees opted for the scheme, which runs for a period of 5 years.

Rewards and Benefits

The compensation system is designed to follow country specific requirements. Our incentive program is linked at three levels that are Company, Business Unit, and the Individual. We also assess our compensation packages against industry standards and seek to match or exceed them.

Health and Safety

'Committed to Zero' is our top priority, with the target of having Zero Lost Time Injuries. Our senior leadership believes in promoting a safe working environment across the organization and has taken the onus of being a role model to showcase the paramount importance of workplace safety. The safety of our work force is our utmost priority. We continuously strive towards achieving our goal of zero accidents at the workplace, as well as eliminating injuries and occupational diseases across the organization. During the year, we further mechanized some of our operations, implemented rigorous safety line walks, strengthened the deployment of contractor safety management and embraced digital intervention to reduce human risks.

Succession Planning

Succession is vitally important today, just as it has been in the past. In consultation with the NCCG committee, the Board reviews both the adequacy of the succession planning process and the plan for the Group CEO and the Executive Board positions. For other key positions, the Company ensures successful leadership transitions through a constant process of developing the next generation of leaders.

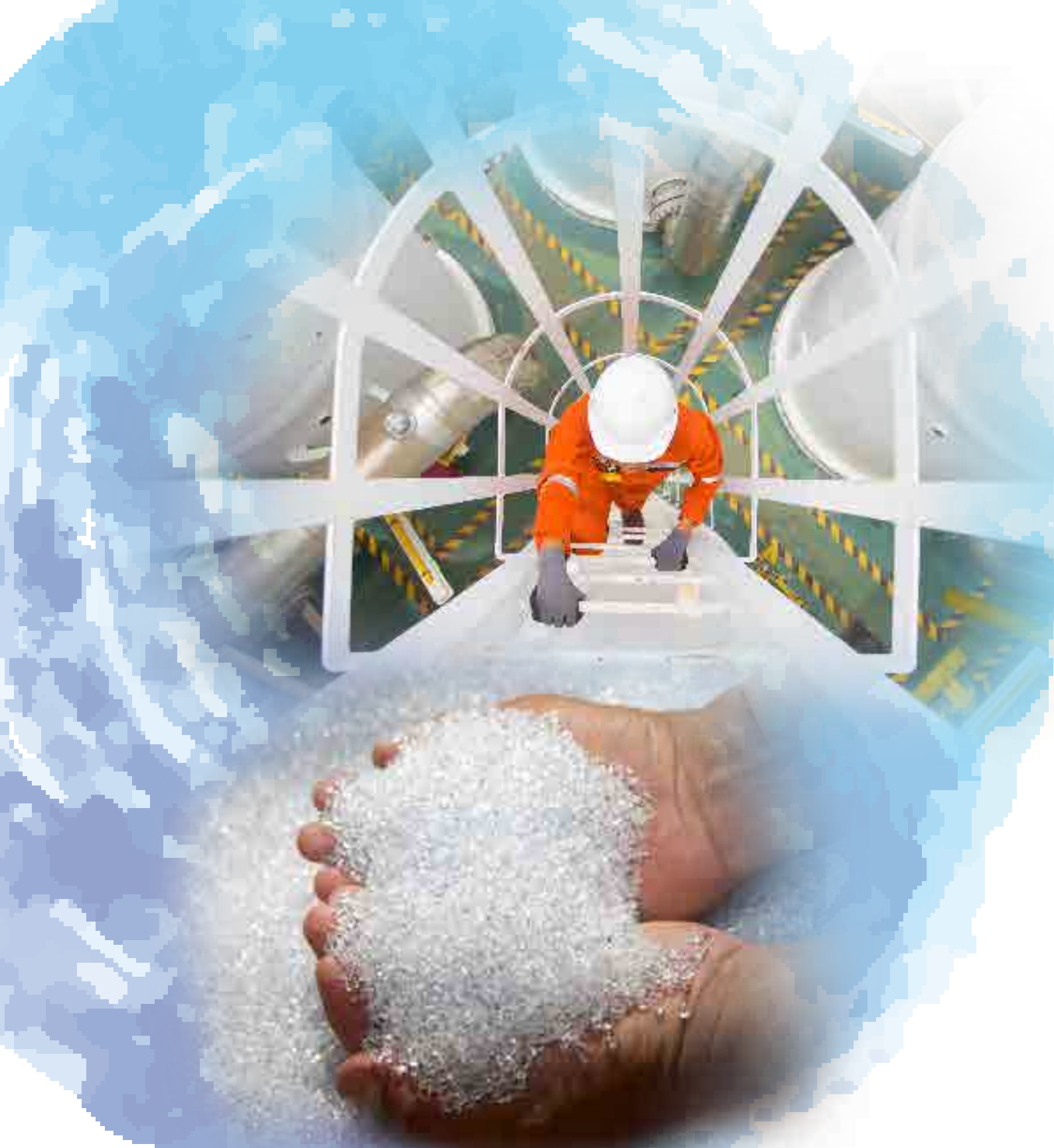
Material Labor Disputes

Since the inception of Indorama Ventures, we have never had any material labor disputes.



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.



SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY AT INDORAMA VENTURES

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY AT INDORAMA VENTURES

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:

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 ISO14001 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.

Details of our environmental initiatives, performance and metrics are provided in our 2017 Sustainability Report, available on our website.

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/EN/corporateGovernance/corporateGovernance_Documents.php

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/CSResponsibility/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)** Standards as a framework for reporting our sustainability activities. Content and data disclosed in our sustainability report is **independently verified** by external assurance auditors. Indicators were selected for assurance based on the material 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 Indices, CDP, FTSE4Good, and EcoVadis. The following are some of the key sustainability achievements.

IVL sustainability ratings are available on our website at www.indoramaventures.com under the Sustainability section.

MEMBER OF

**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

Indorama Ventures enters the Dow Jones Sustainability Index (DJSI) Emerging Markets Chemicals Industry for the First Time as published by RobecoSAM and ranks among Top Five of all global chemical companies.

The Dow Jones Sustainability Indices are based on RobecoSAM's internationally recognized Corporate Sustainability Assessment (CSA) methodology. The CSA consists of an in-depth analysis of relevant economic, environmental and social factors which provides companies with crucial insights into their sustainability performance. All participating companies receive a RobecoSAM Company Benchmarking Scorecard comparing their sustainability performance against the global industry average and that of their industry peers.

The inclusion confirms IVL's excellent performance among the world's leading companies in the chemicals sector and its commitment to leadership in sustainability.



IVL has been recognized in the RobecoSAM's Sustainability Yearbook 2018. We have risen up the rankings from Bronze Class last year to Silver Class recognition in the Chemicals Industry sector for the first time. In addition, we were selected as RobecoSAM's Industry Mover, a distinction given to companies that have achieved the largest proportional improvement in its sustainability performance compared to the previous year. This classification reflects our efforts to consistently improve our sustainability performance and shows once again that IVL is one of the most sustainable companies in the world.

We will continue our journey of improvement and pursue our goal of being a world-class chemical company.



In 2017, IVL has participated in CDP Climate Change Assessment for second consecutive year and Supply Chain Assessment for the first time, and has achieved 'B' Rating in both assessments.



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.



In 2017, IVL participated in the EcoVadis evaluation/accreditation platform and has achieved a Gold Recognition, ranking in the top 4% of suppliers in the category of manufacture of basic chemicals and top 3% of suppliers in all categories assessed by EcoVadis.

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 Standards, we are constantly evaluating material issues that have an impact on the sustainable development of the Company from both internal and external stakeholder views.

In 2017, 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 material issues and focus areas for our sustainability management and reporting.

As a result of the assessment, the top economic, environmental and social issues that our stakeholders and IVL consider to be most focus areas to our company are

Economic Dimension	<ul style="list-style-type: none">• Innovation Management• Corporate Governance• Regulatory Compliance• Business Ethics and Integrity
Environmental Dimension	<ul style="list-style-type: none">• Climate Strategy• Product Stewardship• Environmental Compliance• Environmental Management
Social Dimension	<ul style="list-style-type: none">• Health and Safety• Human Capital Development• Human Rights

Climate Strategy, Product Stewardship and Health and Safety are three key focus areas. Further details on the materiality assessment process, key material issues and performance on all material issues are provided in the 2017 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, 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 2017 Sustainability Report.



Integration of UN Sustainable Development Goals into IVL's Business Operations

In September 2015, more than 190 countries signed up to the UN Global Goals for Sustainable Development, which set out a vision for ending poverty, hunger, inequality and protecting the Earth's natural resources by 2030.

Achieving of these Goals by 2030 is highly ambitious. Private sector has an important role to play along with governments, institutions, communities in delivering these goals. It is in businesses self-interest to engage and create a more sustainable future.

Agenda for Sustainable Development, which includes a set of 17 actions oriented Sustainable Development Goals (SDGs), accepted by all countries and is applicable to all.

Business Operation Activities

Considering the nature of business, IVL is committed to play its role by contributing to the achievement of following Sustainable Development Goals:

 <ul style="list-style-type: none"> • Environmental Stewardship (Water / Air / GHG / Waste) • Product Stewardship • Recycling Business • Low Carbon Products 	 <ul style="list-style-type: none"> • Gender Diversity • Capability Development for Woman Workforce
 <ul style="list-style-type: none"> • Renewable Energy • Energy Management 	 <ul style="list-style-type: none"> • Product Stewardship • Recycling Business • Circular Economy • Health and Safety
 <ul style="list-style-type: none"> • Product Stewardship • Environmental Stewardship (Water / Air / GHG / Waste) • Recycling Business • Light Weighting and Low Carbon Products 	 <ul style="list-style-type: none"> • Climate Strategy • Product Stewardship • Recycling Business • Circular Economy • Light Weighting and Low Carbon Products
 <ul style="list-style-type: none"> • Recycling Business • Climate Strategy • Water Management 	 <ul style="list-style-type: none"> • Recycling Business • Climate Strategy • Waste Management • Water Management

Corporate Social Responsibility at IVL

Indorama Ventures has consistently adhered to the clear and simple value of operating with integrity, transparency and in the best interests of our customers, employees, stakeholders, communities, and the environment. With our evolution and continued international growth, we remain true to this core value. Doing so enables us to achieve our ambition “to be a world-class chemical company making great products for society.”

As we continue to innovate with our product offerings, R&D, and our work processes, we also strive to do better in our sustainability and corporate social responsibility (CSR) activities. We have long maintained that the sustainable development of our business requires a responsible approach to social and business issues, as well as incorporating environmental concerns.

We therefore adopted a combined approach of addressing social issues and integrating CSR activities with our business goals. Our group-wide strategy on corporate citizenship and philanthropy focuses on:

1. Economic growth – improving the quality of life of the communities where we operate.
2. Innovation – creating new products for our customers that enhance their own sustainability objectives while providing us with an advantage over our competitors.
3. Social license – being a positive force for development and change by supporting communities, adhering to all local and national regulations, and through the ethical operation of our business.

We fully support and are committed to the UN Sustainable Development Goals (SDGs), specifically, Goals 3 - Good Health and Well-being, 4 - Quality Education and 8 - Decent Work and Economic Growth.



As a closed-loop business, producing raw materials to make plastic bottles and also recycling them, we can contribute to being a sustainable operation and further support the environment. Our new Recycling Education Initiative is in-line with our commitment and part of our global CSR Flagship Program. We developed this initiative because we aim to increase awareness among children to separate waste, encourage them to recycle and to be actively involved in protecting the environment.

To achieve this goal, we are preparing materials in a convenient “Education pack” which includes videos, comic books to support learning among kids. We plan on sharing these materials with our subsidiaries to expand this initiative, ensuring that they have the flexibility to adapt the material for each country. We are also prepared to share our materials with schools and other relevant groups if requested.

More details on our CSR performance and activities under each theme are provided in the 2017 Sustainability Report.



| REPORT



AUDIT COMMITTEE

REPORT TO THE SHAREHOLDERS FOR THE YEAR 2017

The Audit Committee is comprised 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 2017, 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	5 / 6

The Audit Committee independently performed its duties, in accordance with the Audit Committee Charter which has been reviewed and approved by the Board of Directors and in alignment with the regulations of the Stock Exchange of Thailand (SET).

During the year 2017 the Committee held 6 meetings with Management, Internal Audit and External Auditors.

Significant activities of the committee during the year are summarized here under:

1. Review and approval of Financial Statements:

The Audit Committee reviewed the quarterly and annual consolidated financial statements of the Company and its subsidiaries which were prepared in accordance with Thai Financial Reporting Standards (TFRS) which is in conformance with the International Financial Reporting Standards (IFRS). The Committee reviewed material issues and exceptional items and obtained sufficient clarification from the external auditors and the management, and confirming that the financial statements and the disclosure in notes to the financial statements were in compliance with the relevant laws and financial reporting standards. The Audit Committee also reviewed Key Audit Matters (KAM)

as presented by the Auditors of the Company.

The Audit Committee approved quarterly consolidated financial statements and reviewed annual consolidated financial statement before the same is approved by the Board of Directors.

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. The committee also 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.

2. Review and approval of Management Discussion and Analysis:

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 for approval. The Committee believes that the Management Discussion and Analysis (MD&A) is presented fairly with adequate information.

3. Review of Internal Control Systems' Effectiveness

The Audit Committee assessed the adequacy of internal control systems with the Company's management, external and internal auditors. The Committee works together with the Internal Auditor and Management to streamline the internal control systems and procedures as a continuous process. The Committee also reviewed the progress of Control Self-Assessment (CSA) tool developed by Internal Audit and distributed to business process owners which assist in setting Business Self Audit team and helps to fill control gaps as deemed appropriate for each business both domestic and overseas, in accordance with the relevant laws, regulations and business readiness. Control Self-Assessment of Procurement, Finance and CAPEX processes have been implemented during the year 2017. The Audit Committee reviewed the Evaluation Form of Sufficiency of Internal Controls Systems

for the year 2017 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.

4. Oversight of Internal Audit

The Audit Committee reviewed and approved the Annual Internal Audit Plan for the year 2017 including medium term audit plan. The Committee also reviewed the new initiatives undertaken by Internal Audit to further increase the effectiveness of Internal Audit Process. The committee also reviewed the progress of new initiatives undertaken. The Audit Committee reviewed the Internal Audit Plan for North American and European Internal Audit Hubs and reviewed the progress of actual completion and follow up reports on status update on outstanding recommendations. The Audit Committee also reviewed significant audit findings and their resolutions as reported by Internal Audit. During the year 2017 Audit Committee recommended Internal Audit to present quarterly report of Internal Audit activities and the same has been started. The Committee periodic presentations of Internal Audit covering 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 Internal Audit 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. Review of Connected Transactions in compliance with the Law and Stock Exchange of Thailand's Regulations

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.

6. Compliance with Securities and Stock Market Laws, Regulations of the Stock Exchange of Thailand and/or other applicable laws:

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.

7. Appointment of External Auditors

The Committee evaluated the performance of KPMG Phoomchai Audit Limited, the external auditors of the Company, for the year 2016 and being satisfied, recommended to the Board for their re-appointment for the year 2017 along with the proposed audit fee.

8. Self-Assessment of Audit Committee Members

The Audit Committee 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.

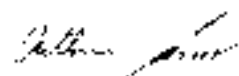
9. Report of the Audit Committee:

The Audit Committee on time to time reported critical issues related to Internal Audit and other activities to the Board of Directors.

Based on above it can be said that 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.

The Audit Committee received good cooperation throughout 2017 from the Board of Directors, executive officers, auditors and all other relevant departments.

On behalf of the Audit Committee



Mr. Rathian Srimongkol
Chairman of the Audit Committee

Sustainability and Risk Management Committee 2017 Report

Indorama Ventures strongly believes in the importance of sustainability, including risk management, which supports our systematic and sustained future growth, in addition to helping anticipate and manage current and future economic, environmental and social risks and opportunities arising from business activities.

The Board is committed to achieving its strategic business objectives, increasing long-term value for our shareholders,

protecting the environment, health, safety and well-being of employees and other stakeholders by operating in a sustainable manner, and continuously improving operational excellence and demonstrating world class environmental, social and governance (ESG) standards in all our operations.

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

The composition of the Committee consists of three independent and three executive directors of the Company:

Name	Position
1. Mr. Alope Lohia	<ul style="list-style-type: none"> Chairman of the Committee Group Chief Executive Officer Executive Director of the Board and Vice Chairman of the Board
2. Mr. Rathian Srimongkol	<ul style="list-style-type: none"> Member of the Committee Independent Director and Vice-Chairman of the Board Chairman of the Audit Committee Chairman of the Independent Directors Meeting
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 Kekuwa	<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 Feedstock and PET 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 activities and in providing risk management oversight, including monitoring the effectiveness of the risk management framework. The Committee oversees the Group's work on sustainability, monitors 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.

Embedding ESG criteria into our corporate DNA has been a top priority for the Committee. In 2017, IVL carried out several environmentally and socially beneficial activities with a focus on climate protection, safeguarding human rights, employee

health, safety and well-being and community engagement.

The Committee also performed its duties and responsibilities as mandated by the Board of Directors and the Committee Charter. Two of the Committee meetings were convened last year, the first on 10 January 2017 and the second on 8 August 2017. Except Mr. Alope Lohia, who was absent for the first meeting, all other Members of the Committee were in attendance for both meetings.

Climate change is viewed as an emerging risk for IVL, and remains a pressing challenge on the global level, notably in the post-COP 21 period. All of the countries in which we have operations are signatories to the Paris Agreement. We have taken concrete actions including life cycle assessments, expanded energy management, environmental management certifications, and direct and indirect greenhouse gas accounting to study and explore the potential risks and opportunities of climate change.

Key activities of the Committee in 2017

1. Overseeing the deployment and continuously driving IVL's sustainability framework, performance and engagement across the organization by integrating corporate sustainability into our day-to-day business operations.
2. Defining, guiding, advising and endorsing sustainable strategies, policies, risk mitigation plans, corporate goals for continuous efficiency in sustainability and improvements to risk management processes.
3. Reviewing and advising on RobecoSAM's Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment, CDP Assessment, Stock Exchange of Thailand, FTSE4Good Index and other ESG assessments.
4. Monitoring significant risks throughout the year by the Committee and the Risk Management Sub-Committees at the business and plant level, specifically:
 - Strategic risks and opportunities including potential risks relating to environmental, social, governance, cyber-security and industry trends in existing plants, expansions and new acquisitions; reviewed cyber security audit results.
 - Reputational risks including corruption, child and forced labor, environmental and regulatory compliance, and investor relations.
 - Risks relating to climate and environmental protection, which are emerging risks, by maintaining a focus on environmental innovation.
5. Building and securing efficient supply chain mechanisms across the entire value chain deriving competitive advantages

through the development of a supply chain management framework, creating shared value, development of human capital, and retention and attraction of staff.

6. Reviewing IVL's current and future business plans, strategies, sensitivity analysis, carrying out stress tests twice during the year, with presentations to the Board for their consideration.
7. Overseeing the customer satisfaction survey process, methodology, results and IVL's future action plans; reviewing and advising on our taxation governance and risks.
8. Reviewing and advising on carbon reduction initiatives and IVL's plans such as greenhouse gas accounting, environmental performance improvements, life cycle assessments, and life cycle management.
9. Reviewing and advising on the status of human rights protections in IVL's operations and value chain, and the human rights and global employee engagement survey results.
10. Reviewing IVL's occupational health and safety performance.

All IVL entities have operated in accordance with the Committee's approved framework, methods, and plans as well as recommendations.

Performance Evaluation of the Committee

The Committee has assessed its own performance and effectiveness. The members of the Committee agreed that its overall performance has been effective during the year.

Leadership of the Committee

The Committee is committed to implementing sustainability with a continued focus on ESG parameters in an effective and systematic manner, with clear objectives to protect, sustain and generate increased value for IVL's stakeholders.

All such activities, together with a strong focus and commitment on the part of the Committee and the management resulted in our inclusion in RobecoSAM's Dow Jones Sustainability Index (Emerging Markets) for the first time. Inclusion in this globally recognized index and being ranked among the top five global chemical companies is an important milestone for us and confirms IVL's excellent performance among the world's leading companies in the chemical sector in addition to its commitment to leadership in sustainability.

On behalf of the Sustainability and Risk Management Committee,



Mr. Alope Lohia
Chairman

REPORT OF THE INDORAMA VENTURES PUBLIC COMPANY LIMITED Nomination Compensation and Corporate Governance Committee (NCCG) for the year 2017

The NCCG Committee is chaired by Mr. William Ellwood Heinecke, and other members of the Committee are Dr. Siri Ganjarerndee, Mr. Kanit Si and Mr. Chakramon Phasukavanish. All the members and the Chairman of the committee are the Independent Directors. Mr. Alope Lohia, Group CEO & Vice Chairmen of the Board is the Advisor to the Committee.

During the year 2017, NCCG Committee held four meetings and performed the task 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 are as follows:

1. **Human Rights:** The NCCG Committee brought focus on Human Rights based on the recommendation of DJSI from 2016. Under the guidance of the Committee, the Company introduced Human Rights Assessment (HRA) process through a survey in line with the UN guidelines. The survey consisted of 65 questions across 14 indicators.

In the survey which took place across all the sites of the Company, the Human Risk Propensity was assessed to be 0.22%. The Committee ensured that actions were taken to bridge this gap.

Human Rights' due diligence checklist was also circulated across the Company. Indorama Ventures scored full marks on Human Rights from DJSI.

More number of plants received SA8000 certification during the 2017 which is an indicator that Human Rights processes are in place.

The NCCG Committee asked to add additional dimensions in the survey to make it more robust.

2. **Corporate Governance:** NCCG Committee decided to implement following items for going forward:

- a. Gender Diversity: Inclusion of more female directors on the board.
- b. Compensation Transparency: Publishing compensation of the Executive Directors in the annual report of the Company.
- c. Management Ownership: IVL stock ownership equivalent to one month salary for the Executive members of the Board was made mandatory.
- d. Membership to listed companies: Limit on the Executive Directors to be the Board member in not more than two listed companies.

Under the stewardship of the NCCG Committee, following actions were taken:

- a. 71% of employees were made aware of Corporate Governance Policy through training during 2015-2017
 - b. 45% of employees went under test on the learning of Corporate Governance during the same period
3. **Whistle Blower report:** There were three cases brought to the notice of the NCCG Committee and all the three cases were addressed by the Whistle Blower Committee of the Company.
 4. **Employee Joint Investment Program (EJIP):** This was a new plan consented by the NCCG Committee. It was an incentive cum retention plan for the key employees and the management which allows participants and the Company to invest in IVL shares in the name of participants during a period of time. The current plan is for 7 years (5 years of investment with 2 years of divestment period for each of the investment). The Committee also empowered the "EJIP committee" to manage day-to-day operations on the selection of the participants.

5. Global policies:

a. **Diversity Policy:** A new global "Diversity Policy" was introduced which reinstates that Indorama Ventures recognizes its talented and diverse workforce as a key competitive advantage. The Company is committed to seeking out and retaining the finest diverse human talent to ensure continued business growth and performance. The policy was approved by the NCCG Committee and on approval from the board, the policy got translated in 18 languages and also put on the website of the Company to ensure that it is understood and gets implemented in its spirit across the organization.

b. **Revision of Environment Policy:** The environment policy was revised to enhance the scope of the policy.

c. **Revision of Code of Conduct for Employees:** The code of conduct was revised where new areas were included.

6. **Employee engagement:** Based on suggestion of NCCG Committee, global employee engagement survey was started in 2015 across the IVL. The Committee had asked to enhance the employees' participation and the engagement. It was reported that:

a. Employee participation level in the Global Employee Engagement was 93.75% in 2017 compared to 93.66% in 2016.

b. The average Global Employee Engagement score in the scale of 1-5, was 3.83 in 2017 compared to 3.70 in 2016.

7. **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, 2017, the shareholders approved re-appointment of all the nominated Directors.

8. **Reconstitution of the NCCG Committee:** The NCCG Committee decided to have Mr. Chakramon Phasukavanish as the NCCG Committee member and to have Mr. Alope Lohia as Advisor to the Committee. Rest of the members were remained the same.

9. **Self-Evaluation of the Board:** The Committee reviewed the summarized results of the self-evaluation of the Board and NCCG Sub Committee performance for the year and the same was presented to the Board for their perusal. The NCCG Committee also did individual assessment of all the Directors and presentation to the Chairman of the Board.

10. **Succession Plan:** The NCCG Committee acknowledged that they were aware of the Group CEO's succession plan. They also discussed succession plan of the Executive Directors.

11. Remuneration:

a. While considering compensation for the Directors, the NCCG Committee considered the respective Directors' responsibilities, performance and made a comparison with industry peers. The NCCG Committee also considered their role on the board and on the sub committees comprising of 'Audit Committee', 'Nomination, Compensation & Corporate Governance Committee' and 'Sustainability & Risk Management Committee' for the year 2016. The recommendations were sent to the Board for the decision.

12. **Awards:** The NCCG Committee is happy to inform that IVL received following awards & accolades in 2017:

a. Corporate Governance Awards:

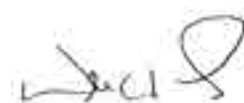
- i. IOD Corporate Governance Result 2017 - 5 star "Excellent" rating for the fifth consecutive year.
- ii. Bloomberg – Leading in SET50 Index ESG disclosure score
- iii. ESG 100 Thaipat Institute 2017

b. Sustainability Awards:

- i. Dow Jones Sustainability Indices (DJSI) –
 - Ranked top 5 among all global Chemical companies
 - Member of 2017 DJSI Emerging Markets Chemical Industry
- ii. RobecoSAM Sustainability Award - Silver Class 2018
- iii. FTSE4Good - a constituent of–
 1. 2017 ASEAN 5 Index
 2. 2017 Emerging Index
- iv. The Thailand Sustainability Investment (THSI) Award 2017
- v. SET Sustainability Award– Rising Star (Thailand Sustainability Investment 2017)
- vi. CDP score: B (climate change rating under Carbon Disclosure Project)
- vii. EcoVadis – 2017 Gold Recognition Level. Ranked among top 3% of suppliers in all categories

c. Asia' Best Employer Brand Awards 2017 – from Employer Branding Institute.

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 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, 2017 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, 2017.



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 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 2017, the consolidated and separate statements of income, 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 2017 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 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 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>In 2017, the Group completed the acquisitions of businesses resulting in the recording of gains on bargain purchases of Baht 3,672.7 million in the consolidated statement of income for the year ended 31 December 2017 and goodwill of Baht 952.2 million in the consolidated statement of financial position as at 31 December 2017.</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 a 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 used and calculation rationale.

Impairment assessment of goodwill	
Refer to Note 15 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2017, the Group had goodwill of Baht 9,837.7 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 a 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. • Consulted KPMG valuation specialist for evaluation of the financial parameters applied to the discount rate. <p>In addition, I also assessed the adequacy of the Group’s disclosure in accordance with Thai Financial Reporting Standards.</p>

Impairment assessment of cash-generating unit	
Refer to Note 15 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>During 2017, PT. Indorama Polyester Industries Indonesia (“PTIPII”), an indirect subsidiary, suspended its operations and mothballed the plant. The management of PTIPII is of the view that the plant will not be operated in near future and believes that the values of plant, machinery and equipment of PTIPII is impaired. Management has estimated the fair value less cost of disposal based on the residual value of the CGU which comprised the plant, machinery and equipment to determine the recoverable amount of the CGU. Based on the result of this assessment, the Group recorded an impairment loss of USD 9.7 million (Baht 330.3 million) in the consolidated statement of income for the year ended 31 December 2017. The carrying amount of plant, machinery and equipment of PTIPII after recognition of impairment loss amounted to USD 3.1 million (Baht 102.0 million).</p> <p>Additionally, the Group also performed impairment assessment for the other CGUs in which there were indications of impairment at reporting date by applying the value-in-use (DCF) method to determine the recoverable amount of those CGUs.</p> <p>Due to the judgment and complexities involved in determining the future cash flows and fair value less cost of disposal attributable to CGUs, I considered the measurement of the recoverable amount as the key audit matter.</p>	<p>My audit procedure performed for impairment assessment at PTIPII 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. <p>My audit procedures performed for impairment assessment at other CGUs with impairment indication at reporting date 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. • Consulted KPMG valuation specialist for evaluation of the financial parameters applied to the discount rate. <p>In addition, I also assessed the adequacy of the Group’s disclosure in accordance with Thai Financial Reporting Standards.</p>

Emphasis of Matter

I draw attention to note 4 to the consolidated financial statements for the following matters:

The Group completed the acquisition of 100% equity interest in Glanzstoff Group resulting in the recording goodwill of Baht 952.2 million in the consolidated statement of financial position as of 31 December 2017. The fair value of business acquired and the allocation of purchase price have been provisionally determined and are subject to potential amendment.

The Group completed the acquisitions of 100% equity interest in DuraFiber Mexico, Longlaville DuraFiber Technologies (DFT) SAS and of PTA assets of Artlant PTA S.A. and the adjacent utility assets of Artelia Ambiente S.A. resulting in the recording gains on bargain purchases of Baht 3,672.7 million in the consolidated statement of income for the year ended 31 December 2017. The fair value of business acquired and the allocation of purchase price have been provisionally determined and are subject to potential amendment.

My opinion is not modified in respect of these matters.

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.



(Sakda Kaothanthong)
Certified Public Accountant
Registration No. 4628

KPMG Phoomchai Audit Ltd.
Bangkok
20 February 2018

Indorama Ventures Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2017	2016	2017	2016
(in thousand Baht)					
Current assets					
Cash and cash equivalents	6	6,877,049	4,025,648	3,194,234	1,068,060
Current investments	7	138,039	114,695	-	-
Trade accounts receivable	5, 8	32,098,171	31,085,499	-	-
Short-term loans to related parties	5	155,611	434,186	28,855,305	16,125,482
Inventories	9	46,036,477	40,458,854	-	-
Other receivables	5	1,056,848	861,416	42,024	13,403
Other current assets	10	6,590,818	7,514,951	542,841	209,915
Total current assets		92,953,013	84,495,249	32,634,404	17,416,860
Non-current assets					
Investments in subsidiaries and other equity security	11	-	-	65,566,630	57,798,256
Investments in joint ventures	12	6,247,147	5,529,831	-	-
Other long-term investments	7	14,931	89,963	-	70,000
Long-term loans to related parties	5	53,096	127,040	31,020,889	30,585,235
Property, plant and equipment	14	151,201,956	136,860,347	-	-
Goodwill	15	9,837,748	9,654,840	-	-
Other intangible assets	16	18,027,204	17,602,243	-	-
Deferred tax assets	17	2,620,480	2,233,466	-	-
Other non-current assets	5	1,402,793	1,787,500	129,731	616,760
Total non-current assets		189,405,355	173,885,230	96,717,250	89,070,251
Total assets		282,358,368	258,380,479	129,351,654	106,487,111

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	2017	2016	2017	2016
(in thousand Baht)					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	18	6,115,131	9,205,553	-	-
Trade accounts payable	5, 19	39,301,411	37,316,103	-	-
Current portion of long-term loans from financial institutions	18	6,167,823	4,403,644	-	263,075
Current portion of debentures	18	2,728,847	5,499,308	2,728,847	5,499,308
Current portion of finance lease liabilities	18	48,512	7,623	-	-
Current tax payable		1,327,335	1,189,903	-	-
Other current liabilities	5, 20	9,932,494	8,239,377	360,086	573,159
Total current liabilities		65,621,553	65,861,511	3,088,933	6,335,542
Non-current liabilities					
Long-term loans from financial institutions	18	42,329,057	51,167,944	13,765,704	11,953,140
Debentures	18	38,116,766	31,789,798	33,619,456	26,860,823
Finance lease liabilities	18	278,934	12,432	-	-
Deferred tax liabilities	17	13,138,643	14,796,013	79,827	68,165
Non-current provisions for employee benefits	21	2,209,602	2,027,811	-	-
Other non-current liabilities	14	1,677,121	910,038	-	31,427
Total non-current liabilities		97,750,123	100,704,036	47,464,987	38,913,555
Total liabilities		163,371,676	166,565,547	50,553,920	45,249,097

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	
		2017	2016	2017	2016
		(in thousand Baht)			
Equity					
Share capital:	22				
Authorised share capital		5,666,010	5,666,010	5,666,010	5,666,010
Issued and paid-up share capital		5,245,411	4,814,272	5,245,411	4,814,272
Share premium:					
Share premium on ordinary shares	22	44,848,154	29,775,147	44,848,154	29,775,147
Gains (loss) on cash flow hedges	23	305,144	(52,368)	484,801	281,271
Currency translation differences	23	(2,639,644)	1,491,162	-	-
Excess of cost over book value					
of acquired subsidiaries	23	(2,862,259)	(3,290,829)	-	-
Differences arising from common control transactions	23	(1,235,562)	(1,235,562)	-	-
Retained earnings					
Appropriated					
Legal reserve	23	2,956,803	2,327,121	566,601	566,601
Unappropriated		55,569,532	40,352,360	12,778,695	10,926,651
Equity attributable to owners of the parent		102,187,579	74,181,303	63,923,662	46,363,942
Subordinated perpetual debentures	24	14,874,072	14,874,072	14,874,072	14,874,072
Equity attributable to equity holders of the Company		117,061,651	89,055,375	78,797,734	61,238,014
Non-controlling interests	13	1,925,041	2,759,557	-	-
Total equity		118,986,692	91,814,932	78,797,734	61,238,014
Total liabilities and equity		282,358,368	258,380,479	129,351,654	106,487,111

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	2017	2016	2017	2016
(in thousand Baht)					
Revenue					
Revenue from sale of goods	5	286,332,272	254,619,539	-	-
Interest income	5	102,432	124,361	2,835,529	2,791,620
Dividend income	5, 11	-	-	6,058,274	3,962,231
Net foreign exchange gain		-	543,117	-	-
Gain on bargain purchases	4	3,672,725	6,698,607	-	-
Other income	5, 14, 26	1,160,232	1,459,462	502,514	488,997
Total revenue		291,267,661	263,445,086	9,396,317	7,242,848
Expenses					
Cost of sales of goods	5, 27	240,888,589	218,197,747	-	-
Distribution costs	5, 28	15,778,331	14,637,914	-	-
Administrative expenses	5, 29	8,009,772	7,010,733	209,526	60,869
Doubtful debts expenses	8	1,978,589	30,391	-	-
Management benefit expenses	30	136,888	143,666	24,495	17,320
Loss on impairment and written-off of property, plant and equipment	14, 16	899,378	607,905	-	-
Net foreign exchange loss		61,922	-	96,242	127,942
Finance costs	32	3,864,471	4,222,321	2,154,512	1,931,614
Total expenses		271,617,940	244,850,677	2,484,775	2,137,745
Share of net profit (losses) of joint ventures	12	28,405	(173,076)	-	-
Profit before income tax expense		19,678,126	18,421,333	6,911,542	5,105,103
Tax expense (income)	33	(1,400,152)	2,062,154	(39,221)	18,186
Profit for the year		21,078,278	16,359,179	6,950,763	5,086,917
Profit attributable to:					
Owners of the parent		20,882,861	16,197,103	6,950,763	5,086,917
Non-controlling interests	13	195,417	162,076	-	-
Profit for the year		21,078,278	16,359,179	6,950,763	5,086,917
Earnings per share					
Basic and diluted earnings per share (in Baht)	35	3.98	3.15	1.18	0.84

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	2017	2016	2017	2016
		(in thousand Baht)			
Profit for the year		21,078,278	16,359,179	6,950,763	5,086,917
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		(4,531,104)	(3,537,220)	-	-
Net gain on hedge of net investment in foreign operations		254,412	301,553	254,412	301,553
Net gain on cash flow hedges		478,234	15,130	-	-
Income tax relating to items that will be reclassified		(171,045)	(66,093)	(50,882)	(60,310)
Total items that will be reclassified subsequently to profit or loss		(3,969,503)	(3,286,630)	203,530	241,243
Items that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans	21	91,881	(230,899)	-	-
Income tax relating to items that will not be reclassified		(23,837)	56,450	-	-
Total items that will not be reclassified to profit or loss		68,044	(174,449)	-	-
Other comprehensive income (expense) for the year, net of tax		(3,901,459)	(3,461,079)	203,530	241,243
Total comprehensive income for the year		17,176,819	12,898,100	7,154,293	5,328,160
Total comprehensive income attributable to:					
Owners of the parent		17,172,279	12,882,716	7,154,293	5,328,160
Non-controlling interests	13	4,540	15,384	-	-
Total comprehensive income for the year		17,176,819	12,898,100	7,154,293	5,328,160

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

Indorama Ventures Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements														
Note	Issued and paid-up share capital	Retained earnings			Other components shareholders' equity							Non-controlling interests	Total equity	
		Share premium	Legal reserve	Unappropriated	Currency translation differences	Gain (loss) on cash flow hedges	Excess of cost over book value of acquired subsidiaries	Difference arising from common control transactions	Equity attributable to owners of the parent	Subordinated perpetual debentures	Equity attributable to equity holders of the Company			
														(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 parent													
	Dividends	-	-	-	(2,599,707)	-	-	-	-	(2,599,707)	-	(2,599,707)	(383,546)	(2,983,253)
36	Total distributions to owners of the parent	-	-	-	(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
	Coupon payment on subordinated perpetual debentures	-	-	-	(1,052,877)	-	-	-	-	(1,052,877)	-	(1,052,877)	-	(1,052,877)
24	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

Consolidated financial statements													
Note	Issued and paid-up share capital	Share premium	Legal reserve	Retained earnings		Other components shareholders' equity					Total equity		
				Currency translation differences	Gain (loss) on cash flow hedges	Excess of cost over book value of acquired subsidiaries	Difference arising from common control transactions	Equity attributable to owners of the parent	Subordinated perpetual debentures	Equity attributable to equity holders of the Company			
(in thousand Baht)													
Year ended 31 December 2017													
Balance at 1 January 2017	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
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners of the parent													
Issue of ordinary shares due to warrant exercised	22	431,139	15,073,007	-	-	-	-	-	15,504,146	-	15,504,146	-	15,504,146
Dividends	36	-	-	(4,048,719)	-	-	-	-	(4,048,719)	-	(4,048,719)	(134,479)	(4,183,198)
Total contributions by and distributions to owners of the parent		431,139	15,073,007	(4,048,719)	-	-	-	-	11,455,427	-	11,455,427	(134,479)	11,320,948
Changes in ownership interests in subsidiaries													
Acquisition of non-controlling interests without a change in control	13	-	-	-	-	-	428,570	-	428,570	-	428,570	(704,577)	(276,007)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	428,570	-	428,570	-	428,570	(704,577)	(276,007)
Total transactions with owners, recorded directly in equity		431,139	15,073,007	(4,048,719)	-	-	428,570	-	11,883,997	-	11,883,997	(839,056)	11,044,941
Comprehensive income for the year													
Profit		-	-	20,882,861	-	-	-	-	20,882,861	-	20,882,861	195,417	21,078,278
Other comprehensive income		-	-	62,712	(4,130,806)	357,512	-	-	(3,710,582)	-	(3,710,582)	(190,877)	(3,901,459)
Total comprehensive income for the year		-	-	20,945,573	(4,130,806)	357,512	-	-	17,172,279	-	17,172,279	4,540	17,176,819
Coupon payment on subordinated perpetual debentures	24	-	-	(1,050,000)	-	-	-	-	(1,050,000)	-	(1,050,000)	-	(1,050,000)
Transfer to legal reserve		-	629,682	(629,682)	-	-	-	-	-	-	-	-	-
Balance at 31 December 2017		5,245,411	44,848,154	2,956,803	55,569,532	(2,639,644)	305,144	(2,862,259)	102,187,579	14,874,072	117,061,651	1,925,041	118,986,692

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			Other component of shareholders' equity			Equity	
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Gain on cash flow hedges	attributable to owners of the parent	Subordinated perpetual debentures	Total equity
Note									
(in thousand Baht)									
Year ended 31 December 2016		4,814,272	29,775,147	566,601	9,492,318	40,028	44,688,366	14,874,072	59,562,438
Balance at 1 January 2016									
Transactions with owners, recorded directly in equity									
Distributions to owners									
Dividends	36	-	-	-	(2,599,707)	-	(2,599,707)	-	(2,599,707)
Total distributions to owners		-	-	-	(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	14,874,072	61,238,014

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

Indorama Ventures Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements									
	Note	Retained earnings			Other component of shareholders' equity			Equity	
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Gain on cash flow hedges	attributable to owners of the parent	Subordinated perpetual debentures	Total equity
(in thousand Baht)									
Year ended 31 December 2017									
Balance at 1 January 2017		4,814,272	29,775,147	566,601	10,926,651	281,271	46,363,942	14,874,072	61,238,014
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares due to warrant exercised	22	431,139	15,073,007	-	-	-	15,504,146	-	15,504,146
Dividends	36	-	-	-	(4,048,719)	-	(4,048,719)	-	(4,048,719)
Total contributions by and distributions to owners		431,139	15,073,007	-	(4,048,719)	-	11,455,427	-	11,455,427
Comprehensive income for the year									
Profit		-	-	-	6,950,763	-	6,950,763	-	6,950,763
Other comprehensive income		-	-	-	-	203,530	203,530	-	203,530
Total comprehensive income for the year		-	-	-	6,950,763	203,530	7,154,293	-	7,154,293
Coupon payment on subordinated perpetual debentures	24	-	-	-	(1,050,000)	-	(1,050,000)	-	(1,050,000)
Balance at 31 December 2017		5,245,411	44,848,154	566,601	12,778,695	484,801	63,923,662	14,874,072	78,797,734

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

Indorama Ventures Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
Note		2017	2016	2017	2016
(in thousand Baht)					
Cash flows from operating activities					
		21,078,278	16,359,179	6,950,763	5,086,917
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
	33	(1,400,152)	2,062,154	(39,221)	18,186
	32	3,864,471	4,222,321	2,154,512	1,931,614
	31	10,678,810	9,626,582	-	-
		1,560,017	1,438,848	-	-
	14	427,603	501,344	-	-
	16	-	106,561	-	-
	26	-	(432,901)	-	-
	21	268,201	294,798	-	-
	14	-	(221,232)	-	-
		45,112	(311,889)	291,342	(18,272)
	12	(28,405)	173,076	-	-
	8	1,978,589	30,391	-	-
	9	(37,371)	(67,112)	-	-
		5,990	9,343	-	-
	14	471,775	-	-	-
		(102,432)	(124,361)	(2,835,529)	(2,791,620)
	11	-	-	(6,058,274)	(3,962,231)
	4	(3,672,725)	(6,698,607)	-	-
		-	-	(10,084)	-
	12	-	(30,189)	-	-
		35,137,761	26,938,306	453,509	264,594
<i>Changes in operating assets and liabilities</i>					
		(895,503)	(236,121)	-	-
		(3,672,190)	(2,632,992)	-	-
		693,877	(547,378)	125,170	(12,574)
		732,054	(17,935)	-	(1,555)
		35,754	3,613,745	-	-
		(178,946)	(186,901)	-	-
		(897,312)	(217,596)	36,224	(13,175)
		198,682	(504,118)	-	-
		31,154,177	26,209,010	614,903	237,290
		(2,247,366)	(1,262,835)	(9,903)	-
		28,906,811	24,946,175	605,000	237,290

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	
		2017	2016	2017	2016
(in thousand Baht)					
Cash flows from investing activities					
Net cash inflow on partial disposal of interest in a subsidiary with a change in control		-	552,368	-	-
Net cash outflow on acquisitions of businesses	4	(8,453,000)	(22,238,959)	-	-
Additional investment in subsidiaries and joint ventures	11, 12	(558,343)	(2,198,856)	(38,813,307)	(10,951,357)
Proceeds from return of capital in a subsidiary	11	-	-	31,055,017	-
Advance payment on additional investment in subsidiary and a joint venture		(229,251)	(687,387)	-	-
Proceeds from sale of other investments, net		51,253	361,812	70,000	-
Proceeds from sale of property, plant and equipment		336,560	87,121	-	-
Acquisition of property, plant and equipment		(19,773,624)	(13,411,373)	-	-
Proceeds from sale of intangible assets		105	-	-	-
Acquisition of intangible assets		(281,873)	(107,816)	-	-
Reimbursement for project	26	-	1,126,533	-	-
Dividend received	11	-	-	6,058,274	3,962,231
Interest received		122,456	134,369	11,593	8,036
Net cash used in investing activities		(28,785,717)	(36,382,188)	(1,618,423)	(6,981,090)
Cash flows from financing activities					
Proceeds from issue of ordinary shares due to warrants exercised	22	15,504,146	-	15,504,146	-
Proceeds from short and long-term borrowings		13,726,449	27,322,663	8,591,304	5,973,650
Repayment of short and long-term borrowings		(21,038,550)	(8,477,117)	(6,142,387)	(2,954,450)
Proceeds from debenture, net of debenture issuance costs of Baht 22,417,284 in 2017 (2016: Baht 8,443,479)	18	9,477,583	4,991,557	9,477,583	4,991,557
Repayment of debenture		(5,500,000)	(2,900,000)	(5,500,000)	(2,900,000)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease		(25,819)	(8,606)	-	-
Loans to subsidiaries		-	-	(13,886,874)	5,426,864
Loans to joint ventures		277,894	(104,437)	-	-
Dividends paid to owners of the Company	36	(4,048,719)	(2,599,459)	(4,048,139)	(2,599,459)
Dividends paid to non-controlling interests		(134,479)	(383,546)	-	-
Interest received		-	-	2,305,500	2,842,693
Interest paid		(4,425,752)	(4,340,944)	(2,108,112)	(1,870,877)
Deferred financing cost paid		(32,817)	(224,554)	(3,424)	(52,665)
Coupon payment on subordinated perpetual debentures		(1,050,000)	(1,052,877)	(1,050,000)	(1,052,877)
Net cash from financing activities		2,729,936	12,222,680	3,139,597	7,804,436
Net increase in cash and cash equivalents, before effect of exchange rates		2,851,030	786,667	2,126,174	1,060,636
Effect of exchange rate changes on cash and cash equivalents		371	6,505	-	-
Net increase in cash and cash equivalents		2,851,401	793,172	2,126,174	1,060,636
Cash and cash equivalents at beginning of period		4,025,648	3,232,476	1,068,060	7,424
Cash and cash equivalents at ending of period	6	6,877,049	4,025,648	3,194,234	1,068,060

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 2017

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Indorama Ventures Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

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 20 February 2018.

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 2017 and 2016 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 2017. 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 new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements.

The Group/Company has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(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 obligations	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 has been rounded 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 adjustment to the amounts recognised in the financial statements is included in the following notes:

Note 4	Acquisitions of businesses: fair value of the assets acquired and liabilities assumed, measured on a provisional basis;
Note 8	Provision for doubtful debt;
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 net 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 these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group/Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (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, as describe in subsidiaries section, other than those with entities under common control.

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. Any gain on bargain purchase is recognised in profit or loss immediately.

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.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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 an 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 initially recognised 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 a joint venture 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 translation 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; and
- 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 until disposal of the investment.

(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate and commodity price 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 in profit or loss immediately.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Investments

Investments in subsidiaries and joint ventures

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments 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 measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes 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.

Any 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 in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	5-50 years
Buildings and building improvements	4-50 years
Machinery and equipment	1-30 years
Office furniture, fixtures and equipment	1-25 years
Transportation equipment	3-20 years
Stores and spares	1-15 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

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

Other 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	5-21.5	years,	Indefinite
Chemicals exchange contract	19	years	
Capitalised development expense	3-5	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 a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss.

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 Group/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 owners of the parent 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 owners of the parent 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 of businesses

Gains 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 2017 and 2016 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 2017 and 2016 and the consolidated statement of financial position as at 31 December 2017 and 2016 respectively, are as following:

Gains on bargain purchases

	Note	2017	2016
		(in thousand Baht)	
Chemical complex of BP Amoco Chemical Company, USA	4(i)	-	3,289,819
Guadarranque Polyester S.L.U., Spain	4(ii)	-	3,408,788
DuraFiber Mexico, Mexico	4(v)	207,902	-
Longlaville DuraFiber Technologies (DFT) SAS, France	4(vi)	601,947	-
The PTA assets of Artlant PTA S.A. and the utility assets of Artelia Ambiente, S.A., Portugal	4(vii)	2,862,876	-
Total gains on bargain purchases		3,672,725	6,698,607

Goodwill

	Note	2017	2016
		(in thousand Baht)	
Dhunseri Petglobal Limited, India	4(iii)	-	898,553
Glanzstoff Group, Europe	4(iv)	952,174	-
		952,174	898,553

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

On 31 March 2016, IVL, through its indirect subsidiary, Indorama Ventures Xylenes & PTA 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 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.

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 Naphthalene Dicarboxylate ("NDC") business as the only producer worldwide.

Identifiable assets acquired and liabilities assumed

	Note	Fair values (in thousand Baht)
Inventories		4,302,237
Property, plant and equipment	14	13,664,801
Intangible assets	16	2,653,313
Deferred tax	17	(2,273,814)
Other assets/(liabilities), net		(304,308)
Net identifiable assets acquired and liabilities assumed		18,042,229
Gain on bargain purchase		(3,289,819)
Total consideration - paid		14,752,410

(ii) 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 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.

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

	Note	Fair values (in thousand Baht)
Cash and cash equivalents		350,826
Inventories		2,263,817
Accounts receivable		3,889,733
Property, plant and equipment	14	5,492,107
Intangible assets	16	3,313,029

	<i>Note</i>	Fair values <i>(in thousand Baht)</i>
Short-term loan from financial institutions		(82,329)
Accounts payable		(2,236,414)
Long-term loan from financial institutions		(186,078)
Deferred tax	17	(1,140,829)
Other assets/(liabilities), net		(417,699)
Net identifiable assets acquired and liabilities assumed		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

The trade receivables comprise gross contractual amounts due of Baht 3,889.7 million which was expected to be collectible at the acquisition date.

(iii) 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 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 Private 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

	Fair values <i>(in thousand Baht)</i>
Cash and cash equivalents	792,084
Inventories	1,518,147
Accounts receivable	1,706,492
Property, plant and equipment	5,259,767
Intangible assets	604,279
Accounts payable	(792,574)
Short-term loan	(4,936,070)
Long-term loan	(2,457,372)
Deferred tax	(430,455)
Other assets/(liabilities), net	1,336,307
Net identifiable assets acquired and liabilities assumed	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

The trade receivables comprise gross contractual amounts due of Baht 1,706.5 million which was expected to be collectible at the acquisition date.

(iv) **Glanzstoff Group, Europe**

On 31 May 2017, IVL, through its indirect subsidiary, Indorama Netherlands B.V., completed the acquisition of 100% equity interest in Glanzstoff Group (which consist of Glanzstoff Industries (Qingdao) Company Limited, Glanzstoff Holding (Hong Kong) Limited, Glanzstoff Industries S.R.L., Società Industriale Cremonese SICREM s.p.a., Cord A.G., Textilcord Steinfort S.A., Glanzstoff Management GmbH and Glanzstoff - Bohemia s.r.o.) which is Europe's largest converter for tire cord fabrics, a global leader in single-end-cords (SEC) from Glanzstoff Industries GmbH, as per definitive share purchase agreement dated 12 April 2017 for a preliminary cash consideration of EUR 160.1 million (Baht 6,100.6 million). The transaction is accounted for as a business combination. During the period from acquisition date to 31 December 2017, the business contributed revenue of EUR 99.7 million (Baht 3,874.7 million) and net profit of EUR 6.3 million (Baht 246.5 million) to the Group's results. If the acquisition had occurred on 1 January 2017, management estimates that consolidated revenue and consolidated profit for the year would have increased by Baht 2,979.3 million and Baht 85.4 million, respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2017. Subsequent to completion of the acquisition, Cord A.G. was renamed to Glanzstoff Industries A.G.

Management believes that the acquisition will offer a unique opportunity for IVL to supplement its high value-added portfolio. It will further enhance the Group's client-value proposition and provide for collaborative opportunities with the global auto industry including for autonomous and electric vehicles.

Identifiable assets acquired and liabilities assumed

	Note	Fair values (in thousand Baht)
Cash and cash equivalents		96,635
Inventories		1,184,716
Accounts receivable		1,446,021
Property, plant and equipment	14	3,324,162
Intangible assets	16	1,958,209
Short-term loan from financial institutions		(316,219)
Accounts payable		(1,106,229)
Deferred tax	17	(927,820)
Other assets/(liabilities), net		(511,075)
Net identifiable assets acquired and liabilities assumed		5,148,400
Goodwill		952,174
Total consideration		6,100,574
Cash acquired		(96,635)
Net consideration - paid		6,003,939

The trade receivables comprise gross contractual amounts due of Baht 1,476.4 million, of which Baht 30.4 million was expected to be uncollectible at the acquisition date.

An independent appraiser has been appointed to determine the fair value of the business but the report of the appraiser is not yet completed as at the date of approval of these consolidated financial statements. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date.

(v) ***DuraFiber Mexico, Mexico***

On 28 September 2017, IVL, through its indirect subsidiary, Indorama Ventures Spain S.L., completed the acquisition of 100% equity interest in tire cord business of DuraFiber Mexico (which consist of DuraFiber Technologies DFT Mexico Operations, S.A. de C.V. which is a leading producer of durable technical textiles for industrial, tire reinforcement and specialty applications globally and DuraFiber Technologies DFT Mexico Services, S.A. de C.V.) from Sellers group (DuraFiber Technologies (DFT) Operations LLC, INA Fibers Holdings LLC, DFT DuraFiber Technologies Holdings, INC., DuraFiber Technologies (DFT) Mexico Intermediate I Corp. and DuraFiber Technologies (DFT) Mexico Intermediate II Corp.), as per definitive share purchase agreement dated 11 August 2017 for a preliminary cash consideration of USD 26.8 million (Baht 894.5 million). The transaction is accounted for as a business combination. During the period from acquisition date to 31 December 2017, the business contributed revenue of USD 13.8 million (Baht 453.4 million) and net profit of USD 0.8 million (Baht 26.3 million) to the Group's results. If the acquisition had occurred on 1 January 2017, management estimates that consolidated revenue and consolidated profit for the year would have increased and decreased by Baht 1,556.7 million and Baht 312.4 million, respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2017. Subsequent to the completion of the acquisition, DuraFiber Technologies DFT Mexico Operations, S.A. de C.V. and DuraFiber Technologies DFT Mexico Services, S.A. de C.V. were renamed to Performance Fibers Operations Mexico, S. de R.L. de C.V. and Performance Fibers Services, S. de R.L. de C.V., respectively.

Management believes that acquisition of DuraFiber Mexico operation is well aligned with the group's strategy of pursuing accretive growth opportunities in the high value added automotive segment.

Identifiable assets acquired and liabilities assumed

	<i>Note</i>	Fair values <i>(in thousand Baht)</i>
Cash and cash equivalents		42,496
Inventories		474,531
Accounts receivable		518,448
Property, plant and equipment	14	937,248
Intangible assets	16	4
Short-term loan from related party		(50,053)
Accounts payable		(517,326)
Deferred tax	17	(218,318)
Other assets/(liabilities), net		(84,628)
Net identifiable assets acquired and liabilities assumed		1,102,402
Gain on bargain purchase		(207,902)
Total consideration		894,500
Cash acquired		(42,496)
Net consideration - paid		852,004

The trade receivables comprise gross contractual amounts due of Baht 518.4 million which was expected to be collectible at the acquisition date.

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.

(vi) Longlaville DuraFiber Technologies (DFT) SAS, France

On 5 October 2017, IVL, through its indirect subsidiary, Indorama Netherlands B.V., completed the acquisition of 100% equity interest in Longlaville DuraFiber Technologies (DFT) SAS (which consist of Longlaville DuraFiber Technologies (DFT) SAS and European DuraFiber Technologies (DFT) Holdings SAS), as per the purchase and sale agreement dated 4 October 2017 for a preliminary cash consideration of EUR 2.7 (Baht 106.0). The transaction is accounted for as a business combination. Subsequent to completion of the acquisition, Longlaville DuraFiber Technologies (DFT) SAS and European DuraFiber Technologies (DFT) Holdings SAS were renamed to Glanzstoff Longlaville S.A.S. and Glanzstoff Services S.A.S. During the period from acquisition date to 31 December 2017, the business contributed revenue of EUR 12.6 million (Baht 488.4 million) and net loss of EUR 0.6 million (Baht 23.9 million) to the Group's results. If the acquisition had occurred on 1 January 2017, management estimates that consolidated revenue and consolidated profit for the year would have increased and decreased by Baht 1,676.6 million and Baht 327.3 million, respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2017.

Management believes that acquisition of Longlaville DuraFiber Technologies (DFT) SAS will further bolster its position as the leading fiber partner for the automotive industry.

Identifiable assets acquired and liabilities assumed

	<i>Note</i>	Fair values <i>(in thousand Baht)</i>
Cash and cash equivalents		43,533
Inventories		177,409
Accounts receivable		538,259
Property, plant and equipment	14	780,584
Intangible assets	16	206,605
Short-term loan from financial institutions		(423,819)
Accounts payable		(345,780)
Deferred tax	17	(216,739)
Other assets/(liabilities), net		(158,105)
Net identifiable assets acquired and liabilities assumed		601,947
Gain on bargain purchase		(601,947)
Total consideration		-

The trade receivables comprise gross contractual amounts due of Baht 538.6 million, of which Baht 0.3 million was expected to be uncollectible at the acquisition date.

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.

(vii) The PTA assets of Artlant PTA S.A. and the utility assets of Artelia Ambiente, S.A., Portugal

On 29 November 2017, IVL, through its indirect subsidiary, Indorama Ventures Portugal PTA - Unipessoal, LDA. and Indorama Ventures Portugal Utility - Unipessoal, LDA., completed the acquisition of the PTA assets of Artlant PTA S.A. and the adjacent utility assets of Artelia Ambiente, S.A. in Portugal, as per the agreement in relation to the assets of Artlant PTA, S.A., dated 26 July 2017 and the purchase and sale agreement in relation to the assets of Artelia Ambiente, S.A., dated 25 September 2017 for a preliminary cash consideration of EUR 42.5 million (Baht 1,640.6 million). During the fourth quarter of 2017, the purchase price was settled with the seller to be EUR 42.5 million (Baht 1,640.6 million). The transaction is accounted for as a business combination.

Management believes that acquisition of PTA assets of Artlant PTA S.A. along with utility assets of adjacent Utility provider, Artelia Ambiente, S.A.(Artelia) will enhance the group's PTA leadership in Europe and the acquisition of utility assets will secure the energy supply to Artlant and sell excess power to the grid.

Identifiable assets acquired and liabilities assumed

	Note	Fair values (in thousand Baht)
Inventories		157,100
Property, plant and equipment	14	5,344,895
Intangible assets	16	233,737
Deferred tax	17	(1,208,067)
Other assets/(liabilities), net		(24,200)
Net identifiable assets acquired and liabilities assumed		4,503,465
Gain on bargain purchase		(2,862,876)
Total consideration		1,640,589

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 2017 and 2016, the Group incurred acquisition-related costs of Baht 104.3 million and Baht 50.6 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 2017 and 2016, 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 Glanzstoff Group, DuraFiber Mexico, Longlaville DuraFiber Technologies (DFT) SAS and The PTA assets of Artlant PTA S.A. and the utility assets of Artelia Ambiente, S.A. are 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 27.31% 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 (Under dissolution)
Petform (Thailand) Limited	Thailand	Indirect subsidiary, 59.94% effective interest, some common directors
Asia Pet (Thailand) Limited	Thailand	Indirect subsidiary, 99.90% effective interest, some common directors
Indorama Ventures Polymers (Rayong) Public Company Limited	Thailand	Indirect subsidiary, 99.98% effective interest (Entire business transfer to Indorama Petrochem Limited in April 2017 and under dissolution)
Guangdong IVL PET Polymer Company Limited	China	Indirect subsidiary, 99.91% effective interest, a common director
FiberVisions (China) Textile Products Limited	China	Indirect subsidiary, 99.99% effective interest
Performance Fibers (Kaiping) Company Limited	China	Indirect subsidiary, 99.99% effective interest, a common director
Performance Fibers (Kaiping) No.2 Company Limited	China	Indirect subsidiary, 99.99% effective interest, a common director

Name of entities	Country of incorporation/ nationality	Nature of relationships
Performance Fibers (Kaiping) No.3 Company Limited	China	Indirect subsidiary, 99.99% effective interest, a common director
Performance Fibers (Kaiping) Trading Company Limited	China	Indirect subsidiary, 99.99% effective interest
Glanzstoff Industries (Qingdao) Company Limited	China	Indirect subsidiary, 99.99% effective interest
Glanzstoff Holding (Hong Kong) Limited	Hong Kong	Indirect subsidiary, 99.99% effective interest
Performance Fibers (Hong Kong) Limited	Hong Kong	Indirect subsidiary, 99.99% effective interest, a common director
PT. Indorama Ventures Indonesia	Indonesia	Indirect subsidiary, 99.99% 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, 99.99% effective interest, a common director
PT. Indorama Polypet Indonesia	Indonesia	Indirect subsidiary, 99.99% effective interest, a common director
KP Equity Partners Inc.	Malaysia	Indirect subsidiary, 99.99% effective interest, some common directors
Indorama Ventures Packaging (Myanmar) Limited	Myanmar	Indirect subsidiary, 99.91% effective interest
Indorama Ventures Packaging (Philippines) Corporation	Philippines	Indirect subsidiary, 99.99% effective interest
IVL Singapore PTE Limited	Singapore	Indirect subsidiary, 99.91% 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, 99.99% effective interest
FiberVisions A/S	Denmark	Indirect subsidiary, 99.99% effective interest
Wellman France Recyclage SAS	France	Indirect subsidiary, 99.99% effective interest
Glanzstoff Longlaville S.A.S.	France	Indirect subsidiary, 99.99% effective interest
Glanzstoff Services S.A.S.	France	Indirect subsidiary, 99.99% effective interest
FiberVisions Vermögensver-waltungsgesellschaft mbH	Germany	Indirect subsidiary, 99.99% effective interest
Trevira Holdings GmbH	Germany	Indirect subsidiary, 99.99% effective interest, a common director
Trevira GmbH	Germany	Indirect subsidiary, 99.99% effective interest
PHP Fibers GmbH	Germany	Indirect subsidiary, 80.00% effective interest, a common director

Name of entities	Country of incorporation/ nationality	Nature of relationships
Wellman International Limited	Ireland	Indirect subsidiary, 99.99% effective interest, a common director
Glanzstoff Industries S.R.L.	Italy	Indirect subsidiary, 99.99% effective interest
Società Industriale Cremonese SICREM s.p.a.	Italy	Indirect subsidiary, 99.99% effective interest
Glanzstoff Industries A.G.	Luxembourg	Indirect subsidiary, 99.99% effective interest, a common director
Textilcord Steinfort S.A.	Luxembourg	Indirect subsidiary, 99.99% effective interest
Glanzstoff Management GmbH	Austria	Indirect subsidiary, 99.99% effective interest
Glanzstoff - Bohemia s.r.o.	Czech Republic	Indirect subsidiary, 99.99% effective interest
UAB Orion Global PET	Lithuania	Indirect subsidiary, 99.91% effective interest, a common director
UAB Indorama Polymers Europe	Lithuania	Indirect subsidiary, 99.91% 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, 99.99% effective interest
Indorama Netherlands B.V.	The Netherlands	Indirect subsidiary, 99.99% effective interest
Indorama Ventures Europe B.V.	The Netherlands	Indirect subsidiary, 99.99% effective interest, a common director
Indorama Polymers Rotterdam B.V.	The Netherlands	Indirect subsidiary, 99.91% effective interest, a common director
Indorama Ventures Recycling Netherlands B.V.	The Netherlands	Indirect subsidiary, 99.99% effective interest
MJR Recycling B.V.	The Netherlands	Indirect subsidiary, 99.99% 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, 99.99% effective interest, a common director
Indorama Ventures Química S.L.U.	Spain	Indirect subsidiary, 99.99% effective interest, a common director
Indorama Ventures Spain S.L.	Spain	Indirect subsidiary, 99.99% effective interest
Indorama Trading AG	Switzerland	Indirect subsidiary, 99.81% effective interest
Indorama Ventures Adana PET Sanayi Anonim Sirketi	Turkey	Indirect subsidiary, 99.99% effective interest, some common directors
Indorama Ventures Corlu PET Sanayi Anonim Sirketi	Turkey	Indirect subsidiary, 99.99% 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

Name of entities	Country of incorporation/ nationality	Nature of relationships
Indorama Trading (UK) Limited	United Kingdom	Indirect subsidiary, 99.81% effective interest
Indorama Polymers Workington Limited	United Kingdom	Indirect subsidiary, 99.91% effective interest, a common director
Indorama Ventures Portugal PTA - Unipessoal, LDA.	Portugal	Indirect subsidiary, 99.99% effective interest
Indorama Ventures Portugal Utility - Unipessoal, LDA.	Portugal	Indirect subsidiary, 99.99% effective interest
Indorama Ventures Holdings LP	USA	Indirect subsidiary, 99.99% effective interest
Indorama Ventures USA Holdings LP	USA	Indirect subsidiary, 99.99% effective interest
Indorama Ventures OGL Holdings LP	USA	Indirect subsidiary, 99.99% effective interest
Indorama Ventures Logistics LLC	USA	Indirect subsidiary, 99.99% effective interest, a common director
Indorama Ventures (Oxide & Glycols) LLC	USA	Indirect subsidiary, 99.99% effective interest, a common director
Performance Fibers Holdings Finance, Inc.	USA	Indirect subsidiary, 99.99% effective interest
Performance Fibers Asia Holdings, LLC	USA	Indirect subsidiary, 99.99% effective interest
Performance Fibers Asia, LLC	USA	Indirect subsidiary, 99.99% effective interest
Indorama Ventures AlphaPet Holdings, Inc.	USA	Indirect subsidiary, 99.99% effective interest, a common director
Indorama Polymers (USA) LLC	USA	Indirect subsidiary, 99.99% effective interest
AlphaPet, Inc.	USA	Indirect subsidiary, 99.99% effective interest, a common director
Indorama Ventures Polyholding LLC	USA	Indirect subsidiary, 99.99% effective interest
Indorama Ventures USA LLC	USA	Indirect subsidiary, 99.99% effective interest
Auriga Polymers Inc.	USA	Indirect subsidiary, 99.99% effective interest, a common director
StarPet Inc.	USA	Indirect subsidiary, 99.99% effective interest, a common director
Indorama Ventures Xylenes & PTA LLC	USA	Indirect subsidiary, 99.99% effective interest, some common key management personnel
Indorama Ventures Performance Fibers Holdings USA LLC	USA	Indirect subsidiary, 99.99% effective interest, some common key management personnel
FiberVisions Corporation	USA	Indirect subsidiary, 99.99% effective interest, a common director
FiberVisions Manufacturing Company	USA	Indirect subsidiary, 99.99% effective interest
FiberVisions Products, Inc.	USA	Indirect subsidiary, 99.99% effective interest
FiberVisions L.P.	USA	Indirect subsidiary, 99.99% effective interest
Trevira North America, LLC	USA	Indirect subsidiary, 99.99% effective interest

Name of entities	Country of incorporation/ nationality	Nature of relationships
PHP Fibers Inc.	USA	Indirect subsidiary, 80.00% effective interest, a common director
Safe Tweave Inc.	USA	Indirect subsidiary, 80.00% effective interest
Indorama Ventures Olefins Holding LLC	USA	Indirect subsidiary, 99.99% 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 Exporter Inc.	USA	Indirect subsidiary, 99.99% effective interest, a common director
Winnsboro Fibres LLC	USA	Indirect subsidiary, 99.99% effective interest, a common director
Indorama Ventures Northern Investments Inc.	Canada	Indirect subsidiary, 99.99% effective interest, a common director
Indorama Ventures Gestion Inc.	Canada	Indirect subsidiary, 99.99% effective interest, a common director
Indorama Ventures PTA Montréal LP	Canada	Indirect subsidiary, 99.99% effective interest, some common key management personnel
4200144 Canada Inc.	Canada	Indirect subsidiary, 99.99% effective interest
IVL Holding, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 99.99% effective interest, some common key management personnel
Grupo Indorama Ventures, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 99.99% effective interest, some common key management personnel
Indorama Ventures Polymers Mexico, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 99.99% effective interest, some common key management personnel
Indorama Ventures Polycom, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 99.99% effective interest, some common key management personnel
Indorama Ventures Servicios Corporativos, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 99.99% effective interest, some common key management personnel
Indorama Ventures Mexico Assets, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 99.99% effective interest
Performance Fibers Operations Mexico, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 99.99% effective interest, a common director (changed name on 1 December 2017) (Formerly DuraFiber Technologies DFT Mexico Operations, S.A. de C.V.)
Performance Fibers Services, S. de R.L. de C.V.	Mexico	Indirect subsidiary, 99.99% effective interest, a common director (changed name on 1 December 2017) (Formerly DuraFiber Technologies DFT Mexico Services, S.A. de C.V.)
Indorama PET (Nigeria) Limited	Nigeria	Indirect subsidiary, 89.92% effective interest, a common director
Indorama Ventures Packaging (Nigeria) Limited	Nigeria	Indirect subsidiary, 99.99% effective interest

Name of entities	Country of incorporation/ nationality	Nature of relationships
Indorama Ventures Packaging (Ghana) Limited	Republic of Ghana	Indirect subsidiary, 99.99% 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
IVL Dhunseri Petrochem Industries Private Limited	India	Indirect joint venture, 50.00% effective interest, some common directors (Formerly IVL Dhunseri Petrochem Industries Limited) (Amalgamated with Micro Polypet Private Limited, Sanchit Polymers Private Limited, and Eternity Infrabuild Private Limited in December 2017. IVL Dhunseri Petrochem Industries Private Limited, is the surviving entity)
Micro Polypet Private Limited, Sanchit Polymers Private Limited and Eternity Infrabuild Private Limited	India	Indirect joint venture, 50.00% effective interest (Amalgamated with IVL Dhunseri Petrochem Industries Private Limited on 28 December 2017)
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

Name of entities	Country of incorporation/ nationality	Nature of relationships
UAB Ottana Polimeri Europe	Lithuania	Indirect joint venture, 50.00% effective interest, a common director (merged with Ottana Polimeri S.R.L. in April 2017. Post merger, Ottana Polimeri S.R.L., is the surviving entity)
ES FiberVisions LP	USA	Indirect joint venture, 50.00% effective interest
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. Indo-Rama Synthetics Tbk.	Indonesia	47.25% shareholder of indirect joint venture, and related parties as commissioners
PT. Irama Unggul	Indonesia	Family relationships with commissioner
Yayasan Pendidikan Indorama	Indonesia	Family relationships with trustee and advisory board
Indo Rama Synthetics (India) Limited	India	Family relationships with directors
Indorama Eleme Petrochemicals Limited	Nigeria	10.00% shareholder of indirect subsidiary, some common directors
Indorama Commerce DMCC	United Arab Emirates Islands	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 1 January 2017, Indorama Ventures Exporter Inc., a new indirect subsidiary, was incorporated in USA, with the registered share capital of USD 2.5 thousand (Baht 89.7 thousand).

On 11 September 2017, Indorama Ventures Spain S.L., a new indirect subsidiary, was incorporated in Spain, with the registered share capital of EUR 10.0 thousand (Baht 390.0 thousand).

On 5 October 2017, Winnsboro Fibres LLC, a new indirect subsidiary, was incorporated in USA, with the registered share capital of USD 1.0 thousand (Baht 33.3 thousand).

On 29 November 2017, Indorama Ventures Portugal PTA - Unipessoal, LDA., a new indirect subsidiary, was incorporated in Portugal, with the registered share capital of EUR 10.0 thousand (Baht 387.1 thousand).

On 29 November 2017, Indorama Ventures Portugal Utility - Unipessoal, LDA., a new indirect subsidiary, was incorporated in Portugal, with the registered share capital of EUR 10.0 thousand (Baht 387.1 thousand).

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
Distribution costs 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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries				
Interest income	-	-	2,824,224	2,783,496
Other income	-	-	413,322	472,775
Dividend income	-	-	6,058,274	3,962,231
Key management personnel				
Directors' fee and bonus	26,585	19,810	24,495	17,320
Short-term employee benefits	108,695	121,878	-	-
Long-term employee benefits	1,608	1,978	-	-
Other related parties				
Sales of goods	1,635,075	1,448,037	-	-
Purchases of goods and raw materials	1,674,092	1,190,070	-	-
Other raw materials conversion charges and overheads	18,656	13,275	-	-
Distribution costs and administrative expenses	273,192	256,756	10,163	456
Interest income	-	9,913	-	-
Other income	2,121	2,369	-	-
Joint ventures				
Sales of goods	5,451,915	4,690,671	-	-
Purchases of goods and raw materials	8,070,008	8,508,989	-	-
Other raw materials conversion charges and overheads	3,602	4,613	-	-
Distribution costs and administrative expenses	539	191	-	-
Interest income	12,866	18,527	-	-
Other income	117,762	64,157	79,108	12,866
Dividend income	20,330	41,964	-	-

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

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Trade accounts receivable - related parties				
Other related parties				
PT. Indo-Rama Synthetics Tbk.	178,132	164,868	-	-
Indo Rama Synthetics (India) Limited	161,024	176,544	-	-
	<u>339,156</u>	<u>341,412</u>	<u>-</u>	<u>-</u>
Joint ventures				
ES FiberVisions LP	415,175	442,052	-	-
ShenMa-PHP (Pingdingshan)				
Air Bag Yarn Manufacturing Co., Ltd.	93,512	63,240	-	-
ES FiberVisions ApS	78,913	21,324	-	-
IVL Dhunseri Petrochem Industries Private Limited	75,661	3,281	-	-
ES FiberVisions (Thailand) Company Limited	20,956	6,633	-	-
ES FiberVisions Shanghai Co., Ltd.	17,285	25,018	-	-
ES FiberVisions Hong Kong Limited	12,746	15,981	-	-
ES FiberVisions (Suzhou) Co., Ltd.	9,928	65,823	-	-
ES FiberVisions China Limited	8,381	8,948	-	-
Micro Polypet Private Limited	-	332	-	-
	<u>732,557</u>	<u>652,632</u>	<u>-</u>	<u>-</u>
Total	<u>1,071,713</u>	<u>994,044</u>	<u>-</u>	<u>-</u>
Other receivables - related parties				
Subsidiaries				
Performance Fibers Operations				
Mexico, S. de R.L. de C.V.	-	-	3,509	-
Glanzstoff Longlaville S.A.S.	-	-	3,071	-
	<u>-</u>	<u>-</u>	<u>6,580</u>	<u>-</u>
Other related parties				
Indo Rama Synthetics (India) Limited	4,498	4,932	-	-
Yayasan Pendidikan Indorama	1,139	1,449	-	-
Cryoviva (Thailand) Limited	228	228	-	-
	<u>5,865</u>	<u>6,609</u>	<u>-</u>	<u>-</u>

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Other receivables - related parties				
Joint ventures				
IVL Dhunseri Petrochem Industries Private Limited	35,024	44,113	35,024	1,932
ES FiberVisions Holdings ApS	20,064	16,807	-	-
ES FiberVisions (Thailand) Company Limited	8,943	9,471	-	-
Indorama Ventures EcoMex, S. de R.L. de C.V.	517	1,144	-	-
PT. Indorama Petrochemicals	412	606	-	-
ES FiberVisions LP	33	-	-	-
Micro Polypet Private Limited	-	11,471	-	11,471
	64,993	83,612	35,024	13,403
Total	70,858	90,221	41,604	13,403

Short-term loans to related parties	Consolidated				Separate	
	Interest rate		financial statements		financial statements	
	2017	2016	2017	2016	2017	2016
	(% per annum)		(in thousand Baht)			
Comprising : Short-term loans to related parties						
Subsidiaries						
Indorama Polymers Public Company Limited	5.20-6.00	6.00	-	-	301,084	555,716
Indorama Holdings Limited	5.20-6.00	6.00	-	-	128,800	158,300
Indorama Polyester Industries Public Company Limited	5.20-6.00	6.00	-	-	3,082,500	3,129,800
Indorama Netherlands Cooperatief U.A.	2.60-6.00	2.62-5.70	-	-	12,260,702	7,810,603
Indorama Petrochem Limited	5.20-6.00	6.00	-	-	837,290	98,300
TPT Petrochemicals Public Company Limited	5.20-6.00	6.00	-	-	1,579,150	1,045,000
Indorama Ventures Global Services Limited	5.20-6.00	6.00	-	-	7,294,400	224,500
Indorama Netherlands B.V.	4.30-6.00	5.46-5.70	-	-	2,594,736	2,845,280
Total			-	-	28,078,662	15,867,499
Joint ventures						
ES FiberVisions (Suzhou) Co., Ltd.	1.32-2.40	1.32-2.40	102,128	62,704	-	-
ES FiberVisions (Thailand) Company Limited	-	5.38-5.99	-	304,561	-	-

<i>Short-term loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	<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	23,416	22,654	-	-
Indorama Ventures EcoMex, S. de R.L. de C.V.	7.26-8.48	3.30-7.94	24,346	21,280	-	-
Total			149,890	411,199	-	-
Interest receivable from related parties						
Subsidiaries						
Indorama Polymers Public Company Limited			-	-	1,642	5,436
Indorama Holdings Limited			-	-	2,266	3,418
Indorama Polyester Industries Public Company Limited			-	-	18,277	19,200
Indorama Netherlands Cooperatief U.A.			-	-	694,769	201,560
Indorama Petrochem Limited			-	-	15,372	14,378
TPT Petrochemicals Public Company Limited			-	-	14,750	13,115
Indorama Ventures Global Services Limited			-	-	29,567	876
Total			-	-	776,643	257,983
Joint ventures						
ES FiberVisions (Suzhou) Co., Ltd.			2,088	-	-	-
ES FiberVisions (Thailand) Company Limited			1,837	4,841	-	-
ShenMa-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd.			1,613	15,349	-	-
Indorama Ventures EcoMex, S. de R.L. de C.V.			183	2,797	-	-
Total			5,721	22,987	-	-
Total short-term loans to related parties			155,611	434,186	28,855,305	16,125,482

<i>Long-term loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Comprising :						
Long-term loans to related parties						
Subsidiaries						
Indorama Petrochem Limited	5.30-6.20	6.20	-	-	1,818,600	2,449,600
TPT Petrochemicals Public Company Limited	5.30-6.20	6.20	-	-	1,193,100	1,429,400
Indorama Polymers Public Company Limited	-	6.20	-	-	-	249,000
Indorama Holdings Limited	5.30-6.20	6.20	-	-	350,000	499,500
Indorama Polyester Industries Public Company Limited	5.30-6.20	6.20	-	-	1,040,000	1,040,000
Indorama Netherlands Cooperatief U.A.	2.60-6.20	2.62-6.20	-	-	26,619,189	24,917,735
Total			-	-	31,020,889	30,585,235
Joint ventures						
ES FiberVisions (Thailand) Company Limited	4.80-4.82	-	49,021	-	-	-
ES FiberVisions (Suzhou) Co., Ltd.	2.39	1.32-2.39	4,075	124,572	-	-
Total			53,096	124,572	-	-
Interest receivables from related party						
Joint venture						
ES FiberVisions (Suzhou) Co., Ltd.			-	2,468	-	-
Total			-	2,468	-	-
Total long-term loans to related parties			53,096	127,040	31,020,889	30,585,235

During 2017, the Company has amended the loan agreements with Indorama Netherlands Cooperatief U.A. and Indorama Polymers Public Company Limited to change the repayment term resulting in the reclassification of long-term loans to related parties of Baht 811 million and Baht 78 million, respectively, to be presented under short-term loans to related parties as at 31 December 2017.

During 2017, the Company has amended the loan agreements with Indorama Holdings Limited to change the repayment term resulting in the reclassification of short-term loans to related parties of Baht 84 million, to be presented under long-term loans to related parties as at 31 December 2017.

During 2017, the Company has amended the loan agreements with certain subsidiaries to change the interest rate of the short-term loans and long-term loans to subsidiaries.

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		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Short-term loans	155,611	434,186	28,855,305	16,125,482
Long-term loans	53,096	127,040	31,020,889	30,585,235
Total loans to related parties	208,707	561,226	59,876,194	46,710,717

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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Short-term loans:				
Subsidiaries				
At 1 January	-	-	15,867,499	11,471,056
Increase	-	-	81,768,956	58,443,013
Decrease	-	-	(70,362,938)	(55,346,570)
Reclassification	-	-	805,145	1,300,000
At 31 December	-	-	28,078,662	15,867,499
Joint ventures				
At 1 January	411,199	249,217	-	-
Increase	10,958	199,350	-	-
Decrease	(353,343)	(41,779)	-	-
Reclassification	81,076	4,411	-	-
At 31 December	149,890	411,199	-	-
Total short-term loans				
At 1 January	411,199	249,217	15,867,499	11,471,056
Increase	10,958	199,350	81,768,956	58,443,013
Decrease	(353,343)	(41,779)	(70,362,938)	(55,346,570)
Reclassification	81,076	4,411	805,145	1,300,000
At 31 December	149,890	411,199	28,078,662	15,867,499
Long-term loans:				
Subsidiaries				
At 1 January	-	-	30,585,235	40,409,081
Increase	-	-	10,469,880	9,198,342
Decrease	-	-	(9,229,081)	(17,722,188)
Reclassification	-	-	(805,145)	(1,300,000)
At 31 December	-	-	31,020,889	30,585,235

<i>Loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Long-term loans:				
Joint ventures				
At 1 January	124,572	162,870	-	-
Increase	50,900	-	-	-
Decrease	(41,300)	(33,887)	-	-
Reclassification	(81,076)	(4,411)	-	-
At 31 December	53,096	124,572	-	-
Total long-term loans				
At 1 January	124,572	162,870	30,585,235	40,409,081
Increase	50,900	-	10,469,880	9,198,342
Decrease	(41,300)	(33,887)	(9,229,081)	(17,722,188)
Reclassification	(81,076)	(4,411)	(805,145)	(1,300,000)
At 31 December	53,096	124,572	31,020,889	30,585,235
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Advance for share subscription				
Subsidiary				
IVL Belgium N.V.	-	-	3,474	3,474
	-	-	3,474	3,474
Joint venture				
PT. Indorama Petrochemicals	222,589	592,812	-	-
	222,589	592,812	-	-
Total	222,589	592,812	3,474	3,474
Trade accounts payable - related parties				
Other related parties				
PT. Indo-Rama Synthetics Tbk.	539,209	306,469	-	-
Indorama Eleme Petrochemicals Limited	32,458	14,103	-	-
	571,667	320,572	-	-
Joint ventures				
PT. Indorama Petrochemicals	481,065	490,669	-	-
IVL Dhunseri Petrochem Industries Private Limited	268,516	20,177	-	-
Indorama Ventures EcoMex, S. de R.L. de C.V.	21,038	26,752	-	-
TTI GmbH	1,497	7,196	-	-
	772,116	544,794	-	-
Total	1,343,783	865,366	-	-

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Other payable - related parties				
Other related parties				
Lohia Global Holdings Limited	40,550	14,726	2,344	-
Indo Rama Synthetics (India) Limited	15,927	17,462	-	-
PT. Indo-Rama Synthetics Tbk.	421	344	-	-
Vega Aviation Limited	-	5,598	-	-
	<u>56,898</u>	<u>38,130</u>	<u>2,344</u>	<u>-</u>
Joint ventures				
IVL Dhunseri Petrochem Industries Private Limited	1,841	-	-	-
Indorama Ventures EcoMex, S. de R.L. de C.V.	-	19,441	-	-
	<u>1,841</u>	<u>19,441</u>	<u>-</u>	<u>-</u>
Total	<u>58,739</u>	<u>57,571</u>	<u>2,344</u>	<u>-</u>

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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cash on hand	7,971	7,739	-	-
Cash at banks - current accounts	2,765,755	2,386,496	821	577
Cash at banks - savings accounts	1,839,305	579,287	1,193,413	217,483
Highly liquid short-term investments	2,264,018	1,052,126	2,000,000	850,000
Total	<u>6,877,049</u>	<u>4,025,648</u>	<u>3,194,234</u>	<u>1,068,060</u>

7 Other investments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Current investments				
Restricted cash at bank to secure letter of credit	135,988	112,163	-	-
Short-term deposits at financial institutions	2,051	2,532	-	-
	138,039	114,695	-	-
Other long-term investments				
Long-term debentures issued by financial institutions	-	70,000	-	70,000
Other	14,931	19,963	-	-
	14,931	89,963	-	70,000
Total	152,970	204,658	-	70,000

As at 31 December 2017, cash at bank amounting to CNY 27.1 million or equivalent to Baht 136.0 million (2016: CNY 21.8 million or equivalent to Baht 112.2 million) was restricted to secure letters of credit.

8 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	5	1,071,713	994,044	-	-
Other parties		33,040,773	30,217,241	-	-
Total		34,112,486	31,211,285	-	-
Less allowance for doubtful accounts		(2,014,315)	(125,786)	-	-
Net		32,098,171	31,085,499	-	-
Write-off allowance for doubtful accounts		2,217	31,585	-	-
Provision for bad and doubtful debts during the year, net		1,978,589	30,391	-	-

On 24 October 2017, a major customer of Indorama Ventures PTA Montréal LP, Canada, an indirect subsidiary of IVL, M&G Polymers USA, LLC filed bankruptcy. During the year ended 31 December 2017, the Group recorded provision for doubtful debt amounting to USD 53.8 million (Baht 1,794.3 million) and deferred tax income of USD 14.5 million (Baht 497.4 million) against the said provision.

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	796,660	709,436	-	-
Overdue:				
Less than 3 months	265,512	284,608	-	-
3-6 months	9,377	-	-	-
6-12 months	164	-	-	-
	1,071,713	994,044	-	-
Other parties				
Within credit terms	26,542,562	27,069,842	-	-
Overdue:				
Less than 3 months	4,692,668	2,907,745	-	-
3-6 months	798,423	57,306	-	-
6-12 months	854,098	48,346	-	-
Over 12 months	153,022	134,002	-	-
	33,040,773	30,217,241	-	-
Less allowance for doubtful accounts	(2,014,315)	(125,786)	-	-
	31,026,458	30,091,455	-	-
Net	32,098,171	31,085,499	-	-

The normal credit term granted by the Group ranges from 7 days to 240 days.

Trade accounts receivable with a carrying amount of Baht 13,931 million (2016: Baht 13,745 million) have been pledged as collateral to secure loans from financial institutions.

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Finished goods	23,216,773	22,430,785	-	-
Work in progress	2,014,202	1,525,254	-	-
Raw materials	13,436,748	11,074,875	-	-
Trading materials	95,806	52,598	-	-
Spare parts and supplies	5,517,278	4,597,889	-	-
Goods in transit	2,402,701	1,420,657	-	-
	46,683,508	41,102,058	-	-
Less allowance for decline in value	(647,031)	(643,204)	-	-
Net	46,036,477	40,458,854	-	-
Carrying value of inventories subject to retention of title clauses or otherwise pledged to secure liabilities	18,779,709	15,345,266	-	-
Inventories recognised as an expense in 'cost of sale of goods':				
- Cost	181,705,521	164,561,178	-	-
- Write-down to net realisable value	212,023	181,959	-	-
- Reversal of write-down	(249,394)	(249,071)	-	-
Net total	181,668,150	164,494,066	-	-

10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Value added tax receivable	2,975,948	3,752,071	-	-
Advance payments	1,084,082	1,340,411	2,420	1,427
Prepaid expenses	647,618	747,949	825	2,063
Advance tax payments and withholding tax	482,316	342,016	13,728	40,860
Receivable from seller in business combination	479,357	501,941	-	-
Material price adjustment receivable	240,438	173,155	-	-
Insurance claims receivable	27,207	63,405	-	-
Others	653,852	594,003	525,868	165,565
Total	6,590,818	7,514,951	542,841	209,915

Receivable from seller in business combination relates to a tax liability, which was recorded as part of income tax payable as at 31 December 2017 and 2016, 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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	-	-	57,798,256	46,846,899
Additional investments	-	-	38,813,307	10,951,357
Return of capital	-	-	(31,044,933)	-
At 31 December	-	-	65,566,630	57,798,256

Investments in subsidiaries and other equity security as at 31 December 2017 and 2016, 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
(in thousand Baht)												
Other equity security	(%)											
	Tuntex Textile (Thailand) Company Limited	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		At cost-net		Dividend income	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		(in thousand Baht)									
Subsidiaries											
Indorama Petrochem Limited	99.99	10,146,167	10,146,167	7,944,151	7,944,151	-	-	7,944,151	7,944,151	-	-
Indorama Holdings Limited	99.81	774,468	774,468	2,001,419	2,001,419	-	-	2,001,419	2,001,419	249,689	734,379
Indorama Polymers Public Company Limited	72.60	1,382,198	1,382,198	7,219,741	7,219,741	-	-	7,219,741	7,219,741	-	1,545,450
Indorama Polyester Industries Public Company Limited	64.94	2,202,850	2,202,850	1,473,995	1,473,995	-	-	1,473,995	1,473,995	214,596	-
TPT Petrochemicals Public Company Limited	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	121,630	121,630	121,630	121,630	-	-	121,630	121,630	-	-
Indo Polymers Mauritius Limited	100.00	2,218	30,535,134	2,296	30,535,134	-	-	2,296	30,535,134	2,119,211	-
Indorama Ventures Global Services Limited	99.99	41,621,250	3,320,000	41,621,209	3,319,997	-	-	41,621,209	3,319,997	3,474,778	1,682,402
Total				65,566,630	57,798,256	-	-	65,566,630	57,798,256	6,058,274	3,962,231

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

During 2017, Indo Polymers Mauritius Limited ("IPML") increased its share capital from USD 971.2 million (Baht 30,535.1 million) to USD 986.0 million (Baht 31,047.2 million) for which the Company subscribed to the entire increased capital. IPML subsequently decreased its share capital to USD 0.1 million (Baht 2.3 million).

During 2017, Indorama Ventures Global Services Limited ("IVGSL") increased its share capital from Baht 3,320.0 million to Baht 41,621.3 million for which the Company subscribed to the entire increased capital.

12 Investments in joint ventures

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
At 1 January		5,529,831	1,962,392	-	-
Additional investments		870,456	1,297,786	-	-
Partial disposal of interest in subsidiary with a change in control		-	529,421	-	-
Acquisitions	4(iii)	-	2,198,856	-	-
Share of net profit (losses) of joint ventures		28,405	(173,076)	-	-
Recognised share of loss of joint venture previously recognised as allowance for impairment loss on advance for share subscription		-	(154,173)	-	-
Dividend income		(20,330)	(41,964)	-	-
Other comprehensive income		(1,281)	2,193	-	-
Effect of movements in exchange rates		(159,934)	(91,604)	-	-
At 31 December		6,247,147	5,529,831	-	-

Investments in joint ventures as at 31 December 2017 and 2016 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		Amalgamation		Carrying value at equity		Share of net profit (losses) of joint ventures	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
(in thousand Baht)																	
Joint ventures																	
Ottana Polimeri S.R.L.	50.00	50.00	242,460	242,460	121,230	121,230	146,671	146,966	(146,671)	(146,671)	-	-	-	(295)	-	-	(28,539)
PT. Indorama Petrochemicals	47.25	47.25	8,060,269	6,814,874	3,357,184	2,769,064	1,005,329	846,849	-	-	-	-	44,174	(47,812)	1,049,503	799,037	(380,512)
ES FiberVisions	50.00	50.00	613,653	603,959	699,178	694,326	1,058,663	962,049	-	-	-	-	(76,653)	(11,404)	982,010	950,645	103,166
ES FiberVisions (Suzhou) Co., Ltd.																	46,685
ShenMa-PHP (Pingdingshan)	50.00	50.00	786,545	369,946	392,992	182,383	450,855	208,253	-	-	-	-	(9,471)	(14,065)	441,384	194,188	46,058
Air Bag Yarn Manufacturing Co., Ltd.	39.20	39.20	796,144	796,144	191,864	191,864	251,094	263,143	-	-	-	-	(12,592)	(20,945)	238,502	242,198	8,896
PHP-ShenMa Air Bag Yarn Marketing (Shanghai) Co., Ltd.	40.80	40.80	9,038	9,038	152,611	152,611	181,602	187,872	-	-	-	-	1,209	(10,098)	182,811	177,774	3,828
TTI GmbH																	8,931
Research and development service	40.00	40.00	1,119	1,119	10,926	10,926	3,059	9,606	-	-	-	-	192	(383)	3,251	9,223	(6,164)
ES FiberVisions (Thailand)																	-
Company Limited	50.00	50.00	410,000	410,000	205,000	205,000	226,316	196,302	-	-	-	-	-	-	226,316	196,302	(6,798)
Indorama Ventures																	
EcoMex, S. de R.L. de C.V.	51.00	51.00	430,883	430,883	221,759	221,759	182,623	208,641	-	-	-	-	(17,294)	(1,714)	165,329	206,927	(24,304)
Indorama Ventures Administrative services																	(9,934)
EcoMex Services, S. de R.L. de C.V.	51.00	51.00	77	7	3	3	139	106	-	-	-	-	(10)	(5)	129	101	38
																	(179)

Consolidated financial statements																		
Type of business	Effective ownership interest		Paid-up capital		Cost		Equity		Impairment		Amalgamation		Effect of movements in exchange rate		Carrying value at equity		Share of net profit (losses) of joint ventures	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(in thousand Bahr)																	
(%)																		
Joint ventures																		
Micro Polypet Private Limited	-	50.00	-	51,680	529,421	619,848	538,662	-	-	(600,517)	-	(19,331)	9,369	-	548,031	4,942	9,241	
IVL Dhunseri Petrochem Industries Private Limited	50.00	50.00	206,720	206,720	2,198,856	2,427,553	2,199,657	-	-	600,517	-	(70,158)	5,748	2,957,912	2,205,405	242,443		
Total			8,147,899	7,277,443	7,277,443	6,553,752	5,768,106	(146,671)	(146,671)	-	-	(159,934)	(91,604)	6,247,147	5,529,831	28,405		

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. During 2017, UAB OPE merged into Ottana Polimeri S.R.L., post merger, Ottana Polimeri S.R.L. is the surviving entity. As at 31 December 2017 and 2016, the management of IVLB re-assessed the recoverable amount of investment in Ottana Polimeri S.R.L. 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 Ottana Polimeri S.R.L. since the date of the last assessment.

The Group has not recognised losses relating to the investment in PT. Indorama Petrochemicals (“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.

Indorama Netherlands B.V. has a call option, which is exercisable during the period from 1 January 2014 to 31 December 2018, to acquire 47.25% of shares of PTIP from PT. Indo-Rama Synthetics Tbk. (“PTIRS”), a shareholder holding 47.25% of PTIP and a related party of IVL.

During 2017, PTIP increased its share capital from USD 210.3 million (Baht 6,814.9 million) to USD 245.5 million (Baht 8,060.3 million) for which the Group entirely subscribed to the portion of its shareholdings.

During 2017, ES FiberVisions (Suzhou) Co., Ltd. increased its share capital from USD 12.0 million to USD 24.0 million. As at 31 December 2017, ES FiberVisions (Suzhou) Co., Ltd. called the paid-up share capital of USD 12.0 million (Baht 416.6 million) for which the Group entirely subscribed to the portion of its shareholdings.

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.

On 12 September 2016, Indorama Ventures Global Services Limited sold a 50% equity interest in Micro Polypet Private Limited (“MPPL”) 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.

During 2017, MPPL increased its share capital from INR 100.0 million (Baht 51.7 million) to INR 112.5 million (Baht 58.4 million) for which the Group subscribed to the entire increased share capital. During 2017, MPPL and its subsidiaries amalgamated with IVL Dhunseri Petrochem Industries Private Limited (“DPGL”) under the scheme of Amalgamation (“the Scheme”) as per applicable laws in India. Post amalgamation, DPGL is the surviving entity. In pursuant of the Scheme,

the securities were allotted at the ratio of 1 new equity share of DPGL for every 5 existing fully paid equity share of MPPL in the board meeting of DPGL held on 28 December 2017; accordingly, the carrying amount of investment in joint venture, MPPL, amounting to INR 1,176.6 million (Baht 600.5 million) was transferred to cost of investment in joint venture, DPGL, on 28 December 2017.

As at 31 December 2016, The Group's investment in MPPL consisted of the investment in compulsorily convertible debentures ("CCDs") held by Indorama Ventures Global Services Limited, subsidiary of the Company 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 2017, the Group invested in 75,000 units of CCDs with the par value of INR 1,000 each for a consideration of INR 75.0 million (Baht 40.1 million). Due to the merger between DPGL and MPPL, all CCDs of MPPL have been transferred to DPGL.

As at 31 December 2017, subsequent to merging transaction between DPGL and MPPL, the group's investment in DPGL consist of the investment in CCDs held by Indorama Ventures Global Services Limited, subsidiary of the Company, amounting to INR 975.0 million (Baht 527.2 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.

Under the convertible debentures subscription agreement, the debentures bear interest at the rate of 6.0% per annum. The interest will be accrued from 2nd anniversary of the date of issuance of CCDs. DPGL's rights to cumulative interest payment and payment of interest by DPGL shall be subject to external lender's confirmation.

The Group's effective ownership interest in DPGL, taking into account potential voting rights, was 50% as at 31 December 2017 and 2016.

The Group's effective ownership interest in MPPL, taking into account potential voting rights, was 50% as at 31 December 2016.

During the years ended 31 December 2017 and 2016, 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 Private Limited	Petrochem Industries Private Limited	PT. Indorama Petrochemicals	ES FiberVisions
	2017			
	(in thousand Baht)			
Revenue	5,877,649	17,258,855	8,242,413	9,188,678
Profit (loss) from operations (a)	26,089	602,277	(805,317)	206,332
Other comprehensive income	-	68	(2,784)	-
Total comprehensive income (100%)	26,089	602,345	(808,101)	206,332
Group's share of total comprehensive income	4,942	242,478	(381,828)	103,166

	IVL Dhunseri			
	Micro Polypet Private Limited	Petrochem Industries Private Limited	PT. Indorama Petrochemicals	ES FiberVisions
2017				
(in thousand Baht)				
Current assets (b)	-	9,271,312	2,657,309	2,124,610
Non-current assets	-	7,758,835	8,888,063	1,250,510
Current liabilities (c)	-	8,300,054	3,776,429	1,399,859
Non-current liabilities (d)	-	4,111,487	6,071,205	16,524
Net assets (100%)	-	4,618,606	1,697,738	1,958,737
Carrying amount of interest in joint ventures	-	2,957,912	1,049,503	982,010
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
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
Carrying amount of interest in joint venture	548,031	2,205,405	799,037	950,645
2017				
(in thousand Baht)				
Remark:				
a. Includes:				
- depreciation and amortisation	106,129	252,193	423,148	-
- interest expense	192,791	423,233	373,556	8,104
- income tax expense	(262)	295,967	-	(17,768)
b. Includes cash and cash equivalents	-	764,988	62,808	403,964
c. Includes current financial liabilities (excluding trade and other payables)	-	4,396,483	610,724	-
d. Includes non-current financial liabilities (excluding trade and other payables)	-	3,781,084	5,555,608	-
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	-

Immaterial joint ventures

The following table 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	
	2017	2016
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial joint ventures	1,257,722	1,026,713
Group's share of:		
- Profit from continuing operations, net	58,366	24,539
- Other comprehensive income	-	2,651
- Total comprehensive income	58,366	27,190

13 Non-controlling interests

The following table summaries the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2017	
	PHP Fibers GmbH and its subsidiaries	Petform (Thailand) Limited
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	20.00%	40.00%
Current assets	2,607,877	482,781
Non-current assets	4,194,975	1,892,621
Current liabilities	1,610,563	763,682
Non-current liabilities	1,231,842	355,426
Net assets	3,960,447	1,256,294
Carrying amount of non-controlling interest	714,985	502,517
Revenue	9,991,608	2,957,494
Profit	160,320	353,838
Other comprehensive income	26,281	479
Total comprehensive income	186,601	354,317
Profit allocated to non-controlling interest	32,064	141,535
Other comprehensive income allocated to non-controlling interest	22,276	192
Cash flows from operating activities	415,744	586,476
Cash flows used in investing activities	(535,438)	(224,732)
Cash flows from (used in) financing activities (dividends to non-controlling interest: Baht 97.5 million)	79,528	(360,612)
Net increase (decrease) in cash and cash equivalents	(40,166)	1,132

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 (expense)	(81,693)	(7,291)	(70)
Total comprehensive income (expense)	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)

IVL, through its indirect subsidiary, Indorama Netherlands B.V. (“INBV”), signed a definitive Share Purchase Agreement on 18 April 2017, with Sinterama S.p.A., its JV partner, to acquire the remaining of 25% stake in Trevira Holdings GmbH (“Trevira”) in Germany. The Group’s effective ownership interest in Trevira was 100% as at 31 December 2017. The purchase price was in the amount of EUR 7 million (Baht 257.5 million). The amount of excess of book value of acquired subsidiaries over cost of EUR 11.5 million (Baht 421.8 million) was recognised in the statement of change in equity for the year ended 31 December 2017.

[illegible]

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 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 and 1 January 2017	444,617	4,770,928	45,506,413	968,134	198,394	125,213	52,013,699
Depreciation charge for the year	67,400	967,397	9,389,546	188,135	34,005	32,327	10,678,810
Reclassification	-	-	(83,569)	(8,082)	-	-	(91,651)
Disposals	-	-	(1,823,188)	(86,108)	(19,996)	-	(1,929,292)
Effect of movements in exchange rates	(28,086)	(49,644)	(871,926)	15,287	(3,040)	(1,686)	(939,095)
At 31 December 2017	483,931	5,688,681	52,117,276	1,077,366	209,363	155,854	59,732,471
Impairment losses							
At 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 and 1 January 2017	-	-	(890,307)	(5,932)	-	-	(896,239)
Impairment losses	-	(123,420)	(282,283)	(869)	(597)	(307)	(427,603)
Effect of movements in exchange rates	-	4,555	57,306	892	22	11	62,952
At 31 December 2017	-	(118,865)	(1,115,284)	(5,909)	(575)	(296)	(1,260,890)

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, 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, 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 31 December 2014. As at 31 December 2017, management concluded that the plant will not be re-started and assessed the recoverable amount of CGU resulting in a further impairment of GBP 1.9 million (Baht 81.7 million) in the consolidated statement of income for the year ended 31 December 2017. The carrying amount of plant, machinery and equipment and spare parts related to IRPW’s production amounted to GBP nil million and GBP 2.5 million (Baht 111.5 million) as at 31 December 2017 and 2016, respectively.

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, 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. The carrying amount of plant, machinery and equipment and intangible assets related to IVAP’s operation after recognition of impairment loss amounted to Baht 18.0 million and Baht nil million, respectively. As at 31 December 2017, the management further assessed the recoverable amount of impaired CGU and concluded that there has been no change in the amount of allowance for impairment loss since the previous assessment.

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 machinery 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.

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 written off 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.

During 2017, Indorama Ventures (Oxide & Glycols) LLC (“IVOG”), an indirect subsidiary, wrote-off certain machineries and equipments relating to catalyst process which performed well below the operating level and recognised loss on written-off property, plant and equipment of USD 11.9 million (Baht 403.1 million) in the consolidated statement of income for the year ended 31 December 2017.

During 2017, PT. Indorama Polyester Industries Indonesia (“PTIPII”), an indirect subsidiary, suspended its operations and mothballed the plant. The management of PTIPII is of the view that plant will not be operated in near future and believes that the values of plant, machinery and equipment of PTIPII is impaired. Management has estimated the fair value less cost of disposal based on the residual value of the CGU which comprised the plant, machinery and equipment related to PTIPII’s operation to determine the recoverable amount of the CGU. Based on the result of this assessment, the Group recorded impairment loss of USD 9.7 million (Baht 330.3 million) in the consolidated statement of income for the year ended 31 December 2017. The carrying amount of plant, machinery and equipment of PTIPII after recognition of impairment loss amounted to USD 3.1 million (Baht 102.0 million).

The gross amount of the Group’s fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 22,795.7 million (2016: Baht 21,641.2 million).

Certain property, plant and equipment with a carrying value of Baht 28,237.4 million (2016: Baht 30,381.5 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 667.6 million (2016: Baht 378.5 million), with a capitalisation rate of 2.11-6.20% (2016: 1.08-6.20%) (see Note 32).

15 Goodwill

	Note	Consolidated financial statements	
		2017	2016
		(in thousand Baht)	
Cost			
At 1 January		9,654,840	9,788,557
Acquired through business combinations	4(iv)	952,174	-
Effect of foreign currency exchange differences		(769,266)	(133,717)
At 31 December		9,837,748	9,654,840
Net book value			
At 1 January		9,654,840	9,788,557
At 31 December		9,837,748	9,654,840

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 2017 and 2016.

16 Other intangible assets

Note	Consolidated financial statements								Total
	Rights acquired	Supplier contract and relationships	Software licenses	Technology licenses and knowhow	Customer contracts and relationships	Trade name and trademarks	Chemicals exchange contract	Capitalised development expenditure	
	(in thousand Baht)								
Cost									
At 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(i)	-	324,201	2,323,312	-	-	-	-	2,653,313
● Guadarranque Polyester S.L.U.	4(ii)	-	2,236,327	9,170	-	-	-	-	3,313,029
Reclassifications	-	-	15,939	(97,454)	-	-	-	-	(81,515)
Partial disposal of interest in subsidiary with a change in control	-	(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 and 1 January 2017	134,284	7,171,336	324,778	8,450,491	4,596,710	1,371,249	358,307	388,725	22,795,880
Additions	91	-	20,971	188,655	-	1,238	-	72,077	283,032
Acquisitions through business combinations									
● Glanzstoff Group	4(iv)	-	147,879	25,530	964,949	79,044	-	316,406	1,958,209
● DuraFiber Mexico	4(v)	-	-	-	4	-	-	-	4
● Longlaville DuraFiber Technologies (DFT) SAS	4(vi)	-	-	-	-	-	-	-	-
● The PTA assets of Arltant PTA S.A. and the utility assets of Artelia Ambiente, S.A.	4(vii)	-	-	141	233,596	-	-	-	233,737
Reclassifications	-	-	37,190	-	44,767	-	-	(1,159)	80,798
Write-off	-	-	(1,680)	-	-	-	-	-	(1,680)
Effect of movements in exchange rates	(2,969)	(333,589)	(14,366)	(498,834)	(179,248)	(41,363)	(31,498)	7,103	(1,094,764)
At 31 December 2017	131,406	6,985,626	392,564	9,004,914	5,427,182	1,410,168	326,809	783,152	24,461,821

17 Deferred tax

Deferred tax assets and liabilities as at 31 December 2017 and 2016 were as follows:

Consolidated financial statements						
	Assets		Liabilities		Net	
	2017	2016	2017	2016	2017	2016
	<i>(in million Baht)</i>					
Property, plant and equipment	(1,856)	(1,136)	11,200	12,735	9,344	11,599
Intangible assets	(80)	(129)	4,115	4,704	4,035	4,575
Accounts receivable	(477)	(5)	-	-	(477)	(5)
Derivatives	(3)	(10)	220	69	217	59
Inventories	(185)	(190)	47	46	(138)	(144)
Provisions	(393)	(331)	321	312	(72)	(19)
Loss carry forward	(2,087)	(2,833)	-	-	(2,087)	(2,833)
Others	(1,280)	(947)	977	278	(303)	(669)
Total	(6,361)	(5,581)	16,880	18,144	10,519	12,563
Set off of tax	3,741	3,348	(3,741)	(3,348)	-	-
Net deferred tax (assets) liabilities	(2,620)	(2,233)	13,139	14,796	10,519	12,563

Separate financial statements						
	Assets		Liabilities		Net	
	2017	2016	2017	2016	2017	2016
	<i>(in million Baht)</i>					
Derivatives	-	-	121	70	121	70
Provisions	1	-	-	-	1	-
Loss carry forward	(42)	(2)	-	-	(42)	(2)
Total	(41)	(2)	121	70	80	68
Set off of tax	41	2	(41)	(2)	-	-
Net deferred tax liabilities	-	-	80	68	80	68

Movements in total deferred tax assets and liabilities during the years ended 31 December 2017 and 2016 were as follows:

Consolidated financial statements							
<u>Charged / (credited to) :</u>							
	At 1 January 2017	Profit or loss	Other comprehensive income	Acquired through business combinations	Partial disposal of interest in subsidiary with a change in control	Exchange differences	At 31 December 2017
(in million Baht)							
Property, plant and equipment	11,599	(3,616)	-	1,980	-	(619)	9,344
Intangible assets	4,575	(956)	-	626	-	(209)	4,036
Accounts receivable	(4)	(496)	-	-	-	23	(477)
Derivatives	59	(6)	171	-	-	(7)	217
Inventories	(144)	(1)	-	-	-	7	(138)
Provisions	(19)	(68)	-	(10)	-	24	(73)
Loss carry forward	(2,833)	532	-	(1)	-	215	(2,087)
Others	(670)	362	23	(24)	-	6	(303)
Total	12,563	(4,249)	194	2,571	-	(560)	10,519

Consolidated financial statements							
Charged / (credited to) :							
At 1 January 2016	Profit or loss	Other comprehensive income	Acquired through business combinations	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

Separate financial statements			
	Charged / (credited to) :		
	At 1 January 2017	Profit or loss	Other comprehensive income
			At 31 December 2017
	<i>(in million Baht)</i>		
Derivatives	70	-	51
Provisions	-	1	-
Loss carry forward	(2)	(40)	-
Total	68	(39)	51

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

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Deductible temporary differences	-	(38)	-	-
Tax losses	3,191	3,970	-	-
Total	3,191	3,932	-	-

The tax losses expire from 2018 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 be available against which the Group can utilise the benefits therefrom.

18 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Current				
Bank overdrafts				
Secured	163,369	209,243	-	-
Unsecured	689,328	171,925	-	-
Short-term loans from financial institutions (a)				
Secured	2,015,103	6,006,794	-	-
Unsecured	3,247,331	2,817,591	-	-
Bank overdrafts and short-term loans from financial institutions	6,115,131	9,205,553	-	-
Current portion of long-term loans from financial institutions				
Secured	36,628	1,338,808	-	-
Unsecured	6,186,040	3,161,420	-	299,642
Less deferred financing costs	(54,845)	(96,584)	-	(36,567)
Net current portion of long-term loans (b)	6,167,823	4,403,644	-	263,075
Current portion of finance lease liabilities (c)	48,512	7,623	-	-
Current portion of debentures (d)	2,728,847	5,499,308	2,728,847	5,499,308
Total current interest- bearing liabilities	15,060,313	19,116,128	2,728,847	5,762,383
Non-current				
Long-term loans from financial institutions				
Secured	5,979,662	12,926,200	-	-
Unsecured	36,527,261	38,493,577	13,795,824	11,999,173
Less deferred financing costs	(177,866)	(251,833)	(30,120)	(46,033)
Net long-term loans (b)	42,329,057	51,167,944	13,765,704	11,953,140
Finance lease liabilities (c)	278,934	12,432	-	-
Debentures (d)	38,116,766	31,789,798	33,619,456	26,860,823
Total non-current interest- bearing liabilities	80,724,757	82,970,174	47,385,160	38,813,963

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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Within one year	15,011,801	19,108,505	2,728,847	5,762,383
After one year but within five years	57,830,405	59,894,599	29,491,364	20,777,115
After five years	22,615,418	23,063,143	17,893,796	18,036,848
Total	95,457,624	102,066,247	50,114,007	44,576,346

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Trade accounts receivable	13,931,468	13,744,761	-	-
Inventories	18,779,709	15,345,266	-	-
Property, plant and equipment	28,237,420	30,381,487	-	-
Total	60,948,597	59,471,514	-	-

(a) Short-term loans from financial institutions

Short-term loans from financial institutions comprise the following:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Secured short-term loan	1,133,538	1,772,633	-	-
Unsecured short-term loan	2,176,696	1,353,417	-	-
Secured revolving loan (USD 15,295,484) (2016: USD 76,359,700) due in March 2021, secured by trade accounts receivable and inventories	499,870	2,736,021	-	-
Secured revolving loan (USD 11,679,456) (2016: USD 35,284,812) due in August 2020, secured by trade accounts receivable and inventories	381,695	1,264,280	-	-
Secured revolving loan (2016: EUR 6,193,693) due in April 2018, secured by property, plant and equipment	-	233,860	-	-
Unsecured revolving loan (EUR 27,432,969) (2016: EUR 31,660,937)	1,070,635	1,195,444	-	-
Others	-	268,730	-	-
Total	5,262,434	8,824,385	-	-

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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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	-	1,348,387
Unsecured loan, due in May 2018, repayable in lumpsum, with interest at LIBOR 3 month plus margin per annum	-	2,880,200	-	2,880,200
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	-	1,913,800
Unsecured loan, due in July 2019, repayable in lumpsum, with interest at LIBOR 3 month plus margin per annum	8,540,272	2,556,178	8,540,272	2,556,178
Unsecured loan, due in September 2019, repayable in lumpsum, with interest at LIBOR 3 month plus margin per annum	3,284,720	3,600,250	3,284,720	3,600,250
Unsecured loan, due in May 2020, repayable in lumpsum, with interest at LIBOR 3 month plus margin per annum	1,970,832	-	1,970,832	-
Unsecured loan, due in August 2018, repayable in quarterly installments, starting in third quarter of 2013 with interest at THBFX 3 month plus margin per annum	-	136,500	-	-
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	427,500	450,000	-	-
Unsecured loan, due in December 2024, repayable in quarterly installments, starting in first quarter of 2019 with Philippine Treasury Reference Rate with fixed interest rate	668,712	-	-	-
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	410,590	720,050	-	-

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Unsecured loan, due in May 2021, repayable in lumpsum, with interest at EURIBOR 3 month plus margin per annum	3,897,525	-	-	-
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	12,549,466	15,478,862	-	-
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	6,405,456	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	686,880	1,208,430	-	-
Secured loan, due in October 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	3,980,785	6,418,809	-	-
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	3,268,090	3,583,070	-	-
Unsecured loan, due in May 2022, repayable in semi-annual installments, starting in fourth quarter of 2019 with the central bank of the People's Republic of China interest rate plus margin per annum	102,492	-	-	-
Unsecured loan, due in August 2022, repayable in semi-annual installments, starting in first quarter of 2020 with the central bank of the People's Republic of China interest rate plus margin per annum	531,593	-	-	-
Secured revolving loan, (2016: EUR 66,675,129) for business acquisition due in April 2018, repayable with interest at EURIBOR 1 month plus margin per annum, secured by property, plant and equipment, accounts receivable and inventories	-	2,517,500	-	-

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Secured revolving loan, (USD 57,440,186) (2016: USD 141,195,349) for business acquisition due in March 2021, repayable with interest at LIBOR 1 month plus margin per annum, secured by accounts receivable and inventories	1,877,197	5,059,128	-	-
Other long-term loans	127,481	273,579	-	-
Total loans from financial institutions	48,729,591	55,920,005	13,795,824	12,298,815
Less deferred financing costs	(232,711)	(348,417)	(30,120)	(82,600)
Net loans from financial institutions	48,496,880	55,571,588	13,765,704	12,216,215
Less portion due within one year, net of related deferred financing costs	(6,167,823)	(4,403,644)	-	(263,075)
Long-term loans from financial institutions	42,329,057	51,167,944	13,765,704	11,953,140

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 2017, the Group had unutilised credit facilities totaling Baht 44,775.9 million (2016: Baht 41,879.7 million).

(c) **Finance lease liabilities**

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

	Consolidated financial statements					
	2017			2016		
	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	59,240	10,728	48,512	9,096	1,473	7,623
After one year but within five years	164,569	31,712	132,857	14,581	2,170	12,411
After five years	166,034	19,957	146,077	22	1	21
Total	389,843	62,397	327,446	23,699	3,644	20,055

(d) **Debentures**

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
IVL - Debentures (i)	36,348,303	32,360,131	36,348,303	32,360,131
IVL Singapore - Debentures (ii)	4,497,310	4,928,975	-	-
Total	40,845,613	37,289,106	36,348,303	32,360,131

(i) IVL Debentures

As at 31 December 2017, the Company had outstanding unsubordinated and unsecured debentures totaling Baht 36,400 million (2016: Baht 32,400 million) as follows:

Debentures no.	Principal <i>(in thousand Baht)</i>	Interest rate <i>(% p.a.)</i>	Term	Maturity date	Deferred debenture issuance expense <i>(in thousand Baht)</i>	Net
1/2011-2	98,000	4.75 for 1st - 4th year 5.50 for 5th - 7th year	7 years	19 Oct. 18	48	97,952
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	60	36,940
1/2011-5	1,302,000	5.04	7 years	19 Oct. 18	640	1,301,360
1/2011-6	3,163,000	5.35	10 years	19 Oct. 21	5,180	3,157,820
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	1,213	1,249,287
1/2012-4	1,500,000	5.09	7 years	5 Apr. 19	614	1,499,386
1/2012-5	2,649,500	5.52	10 years	5 Apr. 22	2,569	2,646,931
2/2012-1	780,000	4.52	6 years	14 Dec. 18	275	779,725
2/2012-2	880,000	4.78	8 years	14 Dec. 20	722	879,278
2/2012-3	1,645,000	5.11	10 years	14 Dec. 22	1,812	1,643,188
2/2012-4	1,475,000	5.28	12 years	14 Dec. 24	1,900	1,473,100
1/2013-1	550,000	4.40	5 years	27 Jun. 18	190	549,810
1/2013-2	520,000	4.70	7 years	27 Jun. 20	658	519,342
1/2013-3	1,100,000	5.10	10 years	27 Jun. 23	2,151	1,097,849
1/2014-2	800,000	4.50	5 years	14 Mar. 19	432	799,568
1/2014-3	1,400,000	5.30	10 years	14 Mar. 24	1,957	1,398,043
1/2015-1	500,000	4.00	7 years	13 Oct. 22	621	499,379
1/2015-2	1,100,000	4.20	10 years	13 Oct. 25	1,557	1,098,443
2/2015-1	1,150,000	3.92	10 years	9 Dec. 25	1,270	1,148,730
1/2016-1	300,000	2.88	5 years	20 Oct. 21	385	299,615

Debentures no.	Principal (in thousand Baht)	Interest rate (% p.a.)	Term	Maturity date	Deferred debenture issuance expense (in thousand Baht)	Net
1/2016-2	200,000	3.68	10 years	20 Oct. 26	297	199,703
1/2016-3	2,200,000	4.10	12 years	20 Oct. 28	3,344	2,196,656
1/2016-4	2,300,000	4.39	15 years	20 Oct. 31	3,573	2,296,427
1/2017-1	2,000,000	2.60	3 years	4 May 20	3,969	1,996,031
1/2017-2	500,000	3.24	5 years	4 May 22	1,105	498,895
1/2017-3	1,000,000	3.75	7 years	4 May 24	2,306	997,694
1/2017-4	2,000,000	4.10	10 years	4 May 27	4,756	1,995,244
1/2017-5	2,000,000	4.28	12 years	4 May 29	4,812	1,995,188
2/2017-1	300,000	2.92	7 years	16 Nov. 24	489	299,511
2/2017-2	700,000	3.46	10 years	16 Nov. 27	1,147	698,853
2/2017-3	1,000,000	3.90	15 years	16 Nov. 32	1,645	998,355
Total	36,400,000				51,697	36,348,303
Less portion due within one year	2,730,000				1,153	2,728,847
Net	33,670,000				50,544	33,619,456

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 4 May 2017 and 16 November 2017, the Company raised in cash by Baht 9,500 million, through the issue of unsubordinated and unsecured Baht debentures in a private placement (2016: Baht 5,000 million).

(ii) IVL Singapore Debentures

As at 31 December 2017, IVL Singapore PTE Limited had outstanding senior unsecured guaranteed debentures totalling Baht 4,497 million (2016: Baht 4,945 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	4,509,964	3.73	10 years	7 Oct. 25	12,654	4,497,310
Total	4,509,964				12,654	4,497,310

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.

19 Trade accounts payable

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Related parties	5	1,343,783	865,366	-	-
Other parties		37,957,628	36,450,737	-	-
Total		39,301,411	37,316,103	-	-

20 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>(in thousand Baht)</i>				
Accrued operating expenses	3,414,042	2,817,698	58,317	13,258
Other payables	3,046,824	1,525,609	2,344	-
Materials price adjustments payable	1,559,821	1,671,229	-	-
Interest payable	444,761	495,038	297,019	318,340
Value added tax payable	254,862	186,764	-	-
Advance from customers	211,120	401,971	-	-
Withholding tax payable	178,334	127,848	-	-
Others	822,730	1,013,220	2,406	241,561
Total	9,932,494	8,239,377	360,086	573,159

21 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Statement of financial position				
Non-current provisions for:				
Post-employment benefits				
Thailand legal severance plan	338,537	285,497	-	-
Defined benefit plans established in Europe	1,302,530	1,252,906	-	-
Defined benefit plans established in rest of the world	554,686	469,565	-	-
Other long-term employee benefits	13,849	19,843	-	-
Total	2,209,602	2,027,811	-	-
Year ended 31 December				
Statement of income:				
Recognised in profit or loss:				
Post-employment benefits				
Thailand legal severance plan	33,212	28,988	-	-
Defined benefit plans established in Europe	163,442	190,538	-	-
Defined benefit plans established in rest of the world	71,198	68,287	-	-
Other long-term employee benefits	349	6,985	-	-
Total	268,201	294,798	-	-
Recognised in other comprehensive income:				
Remeasurement losses (gains):				
Actuarial losses (gains)	(48,557)	476,377	-	-
Return on plan assets excluding amounts included in interest income	(44,319)	(243,584)	-	-
Others	995	(1,894)	-	-
Total	(91,881)	230,899	-	-

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 subsidiaries registered in Thailand also provide long service award plans 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.

Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	305,340	269,317	-	-
Included in profit or loss:				
Current service costs	26,626	23,937	-	-
Interest on obligation	9,034	7,297	-	-
Actuarial losses (gains) for other long-term employee benefits	(2,099)	4,739	-	-
	33,561	35,973	-	-
Included in other comprehensive income				
Actuarial losses	24,293	7,930	-	-
Others				
Benefits paid by the plan	(10,808)	(7,880)	-	-
	(10,808)	(7,880)	-	-
At 31 December	352,386	305,340	-	-

The expense is recognised in the following line items in the statement of income:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cost of sale of goods	23,473	24,898	-	-
Selling and administrative expenses	10,088	11,075	-	-
Total	33,561	35,973	-	-

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Demographic assumptions	5,827	-	-	-
Financial assumptions	13,025	(7,278)	-	-
Experience adjustment	5,441	15,208	-	-
Total	24,293	7,930	-	-

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 114 million in contributions to its defined benefit plans in 2018.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Excess of present value of obligations over fair value of plan assets	1,263,508	1,310,217	-	-
Effect of movement in exchange rates	39,022	(57,311)	-	-
Statement of financial position obligation	1,302,530	1,252,906	-	-

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	2,582,358	2,049,175	-	-
Included in profit or loss:				
Current service costs	170,858	139,989	-	-
Past service costs	(33,289)	6,001	-	-
Interest on obligation	59,592	61,757	-	-
Loss on settlement	803	22,094	-	-
Actuarial losses	-	159	-	-
	197,964	230,000	-	-
Included in other comprehensive income				
Actuarial losses (gains)	(106,913)	469,870	-	-
Others				
Defined benefit obligations assumed upon acquisition of subsidiaries	89,439	-	-	-
Benefits paid by the plan	(21,353)	(66,868)	-	-
Expected employees contribution	13,150	12,901	-	-
Effect of movements in exchange rates	86,824	(112,720)	-	-
	168,060	(166,687)	-	-
At 31 December	2,841,469	2,582,358	-	-

Movement in the fair value of plan assets:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	1,329,452	1,019,391	-	-
Included in profit or loss:				
Interest income	30,993	30,619	-	-
Others	(1,647)	(1,656)	-	-
	29,346	28,963	-	-
Included in other comprehensive income				
Return on plan assets excluding amounts included in interest income	32,726	244,441	-	-
Others				
Expected plan participant contributions	11,552	18,269	-	-
Benefits paid by the plan	(8,413)	(7,037)	-	-
Contribution paid into the plan	96,473	80,834	-	-
Effect of movements in exchange rates	47,803	(55,409)	-	-
	147,415	36,657	-	-
At 31 December	1,538,939	1,329,452	-	-
Statement of financial position obligations at 31 December	1,302,530	1,252,906	-	-

The expense is recognised in the following line items in the statement of income:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cost of sale of goods	143,609	143,813	-	-
Administrative expenses	19,833	46,725	-	-
Total	163,442	190,538	-	-

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Demographic assumptions	-	5,640	-	-
Financial assumptions	(112,184)	448,785	-	-
Experience adjustment	5,271	15,445	-	-
Total	(106,913)	469,870	-	-

Plan assets

Plan assets comprise the following:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Equity securities	3,643	3,479	-	-
Insurance contract	1,441,005	1,242,473	-	-
Interest bearing securities	65,570	55,667	-	-
Others	28,721	27,833	-	-
Total	1,538,939	1,329,452	-	-

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 13 million in contributions to its defined benefit plans in 2018.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Excess of present value of obligations over fair value of plan assets	587,481	531,138	-	-
Effect of movements in exchange rates	(32,795)	(61,573)	-	-
Statement of financial position obligation	554,686	469,565	-	-

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	597,043	618,431	-	-
Included in profit or loss:				
Current service costs	38,220	33,291	-	-
Past service costs	1,136	(260)	-	-
Interest on obligation	36,740	32,389	-	-
Actuarial losses	-	8,009	-	-
	76,096	73,429	-	-
Included in other comprehensive income				
Actuarial loss (gains)	34,063	(1,423)	-	-
Others				
Defined benefit obligations assumed upon acquisition of subsidiaries	84,605	-	-	-
Benefits paid by the plan	(43,960)	(31,045)	-	-
Other	(16,104)	-	-	-
Effect of movements in exchange rates	(44,620)	(62,349)	-	-
	(20,079)	(93,394)	-	-
At 31 December	687,123	597,043	-	-

Movement in the fair value of plan assets:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	127,478	122,026	-	-
Included in profit or loss:				
Interest income	5,126	5,381	-	-
Others	(228)	(239)	-	-
	4,898	5,142	-	-
Included in other comprehensive income				
Return on plan assets excluding amounts included in interest income	11,593	(857)	-	-
Others				
Fair value of plan assets assumed upon acquisition of subsidiaries	32	-	-	-
Contributions paid into the plan	4,611	5,621	-	-
Benefits paid by the plan	(4,348)	(3,678)	-	-
Effect of movements in exchange rates	(11,827)	(776)	-	-
	(11,532)	1,167	-	-

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 31 December	132,437	127,478	-	-
Statement of financial position obligations at 31 December	554,686	469,565	-	-

The expense is recognised in the following line items in the statement of income:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cost of sale of goods	47,256	49,503	-	-
Administrative expenses	23,942	18,784	-	-
Total	71,198	68,287	-	-

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Demographic assumptions	(1,122)	(3,710)	-	-
Financial assumptions	26,669	2,631	-	-
Experience adjustment	8,516	(344)	-	-
Total	34,063	(1,423)	-	-

Plan assets

Plan assets comprise the following:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Equity securities	80,268	76,460	-	-
Interest bearing securities	47,096	47,151	-	-
Others	5,073	3,867	-	-
Total	132,437	127,478	-	-

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(%)		(%)	
<i>Thailand legal severance plan</i>				
Discount rate	2.60	3.05	-	-
Future salary increases	4.00-6.00	4.00-6.00	-	-

At 31 December 2017, the weighted-average duration of the defined benefit obligation was 11 years (2016: 12 years).

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(%)		(%)	
<i>Defined benefit plans established in Europe</i>				
Discount rate	0.85-11.00	1.50-11.00	-	-
Expected return on plan assets	1.50-2.10	1.90	-	-
Future salary increases	1.40-6.00	1.50-6.00	-	-

At 31 December 2017, the weighted-average duration of the defined benefit obligation were 9.10 to 29.00 years (2016: 7.20 to 31.00 years).

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(%)		(%)	
<i>Defined benefit plans established in rest of the world</i>				
Discount rate	3.75-7.50	4.25-8.60	-	-
Expected return on plan assets	3.75-4.75	4.50	-	-
Future salary increases	3.75-8.00	4.75-8.00	-	-

At 31 December 2017, the weighted-average durations of the defined benefit obligation were 10.00 to 16.77 years (2016: 10.00 to 17.28 years).

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				
At 31 December 2017	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(15)	16	-	-
Future salary increases (0.5% movement)	16	(15)	-	-
Defined benefit plans established in Europe				
At 31 December 2017	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(157)	185	-	-
Expected return on plan assets (0.5% movement)	4	3	-	-
Future salary increases (0.5% movement)	30	(27)	-	-
Defined benefit plans established in rest of the world				
At 31 December 2017	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(7)	9	-	-
Expected return on plan assets (0.5% movement)	(1)	1	-	-
Future salary increases (0.5% movement)	17	(16)	-	-
Thailand legal severance plan				
At 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				
At 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				
At 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)	-	-

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 warrants during the years ended 31 December are as follow:

Consolidated and Separate financial statements					
		Authorised		Issued and paid-up	
	Par value	share capital		share capital	
	per share	Number	Amount	Number	Amount
	(in Baht)	(thousand shares / thousand Baht)			
At 1 January 2016					
- ordinary shares	1	5,666,010	5,666,010	4,814,272	4,814,272
Exercise of warrants	1	-	-	-	-
At 31 December 2016 and					
1 January 2017 - ordinary shares	1	5,666,010	5,666,010	4,814,272	4,814,272
Exercise of warrants	1	-	-	431,139	431,139
At 31 December 2017					
- ordinary shares		5,666,010	5,666,010	5,245,411	5,245,411

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”) 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”) 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 2017, IVL-W1 were exercised and registered as paid-up share capital of 430,693 thousand shares (equivalent to Baht 430,693 thousand) with the proceed of Baht 15,505 million. The Company registered the aforesaid increase of new paid-up shares with the Ministry of Commerce on 7 February 2017, 11 May 2017, 3 August 2017 and 30 August 2017.

Movements of IVL-W1 warrants during the years ended 31 December 2016 and 2017 are as follows:

	<i>(in thousand unit)</i>
Warrants issued at 1 January 2016	481,410
<i>Less: Exercised during the year</i>	-
Warrants issued at 31 December 2016 and 1 January 2017	481,410
<i>Less: Exercised during the year</i>	(430,693)
<i>Less: Expired during the year</i>	(50,717)
Warrants issued at 31 December 2017	-

Exercised of IVL-W2

During the year ended 31 December 2017, IVL-W2 were exercised and registered as paid-up share capital of 446 thousand shares (equivalent to Baht 446 thousand) with proceeds of Baht 19 million. The Company registered the aforesaid increase of new paid-up shares with the Ministry of Commerce on 7 November 2017.

Movements of IVL-W2 warrants during the year ended 31 December 2017 are as follows:

	<i>(in thousand unit)</i>
Warrants issued at 1 January 2016, 31 December 2016 and 1 January 2017	370,314
<i>Less: Exercised during the year</i>	(446)
Warrants issued at 31 December 2017	369,868

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 operations that hedge the Group's net investment in a foreign operation.

Cash flow hedges

The cash flow hedges 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 or businesses 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 126 million are recognised as a part of equity in the consolidated and separate statements of financial position as at 31 December 2017 and 2016.

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"), ethylene oxide and ethylene glycol ("EO&EG") 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>									
Revenue from sale of goods										
External revenue	143,301,918	132,877,303	62,047,305	48,529,515	80,966,684	73,212,721	16,365	-	286,332,272	254,619,539
Inter-segment revenue	2,458,385	2,112,202	53,113,813	45,241,557	98,741	78,247	(55,670,939)	(47,432,006)	-	-
Total revenue from sale of goods	145,760,303	134,989,505	115,161,118	93,771,072	81,065,425	73,290,968	(55,654,574)	(47,432,006)	286,332,272	254,619,539
Interest income	72,121	80,459	89,582	186,414	34,106	46,469	(152,305)	(216,539)	43,504	96,803
Net foreign exchange gain (loss)	-	(219,933)	-	98,265	-	132,853	-	284,278	-	295,463
Gain on bargain purchases	-	-	2,862,876	6,698,607	809,849	-	-	-	3,672,725	6,698,607
Unallocated revenue	-	-	-	-	-	-	1,219,160	1,734,674	1,219,160	1,734,674
Total revenue	145,832,424	134,850,031	118,113,576	100,754,358	81,909,380	73,470,290	(54,587,719)	(45,629,593)	291,267,661	263,445,086
Cost of sale of goods	126,854,402	116,532,170	91,219,920	77,862,053	68,482,597	61,428,024	(52,073,507)	(44,126,273)	234,483,412	211,695,974
Distribution costs and administrative expenses	8,273,346	8,313,965	7,208,239	6,239,566	5,548,605	4,892,070	(4,646,848)	(4,195,672)	16,383,342	15,249,929
Provision for doubtful debts expenses	84,307	9,013	1,875,734	8,338	18,548	13,040	-	-	1,978,589	30,391
Loss on impairment and written-off of property, plant and equipment	97,305	513,800	471,775	94,105	330,298	-	-	-	899,378	607,905
Net foreign exchange (gain) loss	143,836	-	14,480	-	(78,601)	-	20,631	-	100,346	-
Depreciation and amortisation	3,402,993	3,505,649	5,934,831	4,859,729	2,871,933	2,673,762	-	-	12,209,757	11,039,140
Unallocated expenses	-	-	-	-	-	-	1,698,645	2,005,017	1,698,645	2,005,017
Total expenses	138,856,189	128,874,597	106,724,979	89,063,791	77,173,380	69,006,896	(55,001,079)	(46,316,928)	267,753,469	240,628,356

	Consolidated financial statements									
	PET		Feedstock		Fibers		Eliminations and unallocated		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<i>(in thousand Baht)</i>										
Share of profit (losses) of joint ventures, net	223,118	13,011	(380,511)	(295,961)	185,798	109,874	-	-	28,405	(173,076)
Profit before interest and income tax expenses	7,199,353	5,988,445	11,008,086	11,394,606	4,921,798	4,573,268	413,360	687,335	23,542,597	22,643,654
Interest expense	1,437,700	1,834,742	1,278,775	1,150,684	1,438,077	1,346,897	(3,488,682)	(3,127,986)	665,870	1,204,337
Profit before income tax expenses	5,761,653	4,153,703	9,729,311	10,243,922	3,483,721	3,226,371	3,902,042	3,815,321	22,876,727	21,439,317
Income tax expense (income)	(424,620)	816,849	(796,752)	292,938	(76,814)	711,684	-	-	(1,298,186)	1,821,471
Unallocated items	-	-	-	-	-	-	3,096,635	3,258,667	3,096,635	3,258,667
Profit for the year	6,186,273	3,336,854	10,526,063	9,950,984	3,560,535	2,514,687	805,407	556,654	21,078,278	16,359,179

Information about reportable segments

	Consolidated financial statements									
	PET		Feedstock				Fibers			
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>									
Cash and cash equivalents	1,602,512	1,882,994	519,216	105,810	1,378,559	924,013	-	-	3,500,287	2,912,817
Inventories	17,082,126	15,584,294	14,581,981	12,488,393	14,736,772	12,665,134	(364,402)	(278,967)	46,036,477	40,458,854
Property, plant and equipment	36,503,795	38,868,262	76,639,311	63,843,668	37,806,411	33,943,998	-	-	150,949,517	136,655,928
Unallocated assets	-	-	-	-	-	-	81,872,087	78,352,880	81,872,087	78,352,880
Total assets	55,188,433	56,335,550	91,740,508	76,437,871	53,921,742	47,533,145	81,507,685	78,073,913	282,358,368	258,380,479
Interest-bearing liabilities	27,887,695	31,843,324	42,829,073	33,999,300	30,960,215	25,598,684	(81,942,295)	(60,920,314)	19,734,688	30,520,994
Unallocated liabilities	-	-	-	-	-	-	143,636,988	136,044,553	143,636,988	136,044,553
Total liabilities	27,887,695	31,843,324	42,829,073	33,999,300	30,960,215	25,598,684	61,694,693	75,124,239	163,371,676	166,565,547
Capital expenditure and investments	2,097,235	2,549,355	16,230,835	31,045,888	9,903,717	2,556,598	652,582	697,046	28,844,369	36,848,887
Depreciation	3,169,166	3,228,207	5,089,640	4,111,108	2,415,266	2,285,229	4,738	2,038	10,678,810	9,626,582
Amortisation	233,827	277,442	845,191	748,621	456,667	388,533	24,332	24,252	1,560,017	1,438,848
Loss (gain) on disposal and write-off of property, plant and equipment	(3,659)	3,509	471,773	1,845	9,651	3,989	-	-	477,765	9,343

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	
	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>					
Thailand	17,822,832	14,789,182	39,535,750	43,877,790	909,103	166,485
North America	105,567,804	94,552,135	106,088,481	99,769,995	13,886,559	21,585,997
Europe	92,075,494	77,442,798	89,452,874	77,526,210	11,619,785	11,255,164
Rest of the world	70,866,142	67,835,424	47,281,263	37,206,484	2,468,922	3,841,241
Total	286,332,272	254,619,539	282,358,368	258,380,479	28,884,369	36,848,887

26 Other income

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Insurance claim		157,253	264,863	-	-
Reversal of decommissioning liabilities	14	-	221,232	-	-
Reversal of provision loss on unrecoverable advances payment for project		-	432,901	-	-
Others		1,002,979	540,466	502,514	488,997
Total		1,160,232	1,459,462	502,514	488,997

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.

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.

27 Cost of sale of goods

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress	(2,133,162)	(763,968)	-	-
Raw materials and consumables used	183,801,312	165,258,034	-	-
Depreciation and amortisation	10,783,584	9,693,358	-	-
Others	48,436,855	44,010,323	-	-
Total	240,888,589	218,197,747	-	-

28 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Distribution	12,433,875	11,565,780	-	-
Depreciation and amortisation	1,455,246	1,372,072	-	-
Insurance expense	495,623	421,930	-	-
Travelling expense	320,569	304,009	-	-
Others	1,073,018	974,123	-	-
Total	15,778,331	14,637,914	-	-

29 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Personnel expense	2,922,731	2,747,583	-	-
Professional fees	1,034,289	793,537	187,527	54,368
Others	4,052,752	3,469,613	21,999	6,501
Total	8,009,772	7,010,733	209,526	60,869

30 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Management				
Wages and salaries	83,640	71,218	-	-
Contribution to defined contribution plans, social security and expenses related to defined benefit plans	1,608	1,978	-	-
Others	51,640	70,470	24,495	17,320
	136,888	143,666	24,495	17,320
Other employees				
Wages and salaries	14,301,242	12,963,731	-	-
Contribution to defined contribution plans, social security and expenses related to defined benefit plans	1,573,216	1,389,720	-	-
Bonus	874,499	780,778	-	-
Staff welfare	2,192,829	2,063,080	-	-
Others	27,947	26,143	-	-
	18,969,733	17,223,452	-	-
Total employee benefit expenses	19,106,621	17,367,118	24,495	17,320

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 (2016: 3 - 15%) 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 2017 amounted to approximately Baht 28.3 million (2016: Baht 25.7 million).

Employee Joint Investment Program (EJIP)

On 23 June 2017, The Company received the approval of Employee Joint Investment Program ("EJIP") from Securities and Exchange Commission (SEC). EJIP is an investment program for accumulative buying of IVL shares on a periodic basis by the employees of the Company, all its subsidiaries and all its joint ventures in Thailand, established to serve as another means of compensating the Company's employees and executives effective for the period from May 2017 to June 2024. Total expense recognised for the program for the year ended 31 December 2017 amounted to Baht 15.1 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 2017 amounted to approximately USD 2.6 million (Baht 87.1 million) (2016: USD 2.7 million (Baht 95.3 million)).

Subsidiaries in Europe established a defined contribution plan that provides benefits for its employees upon retirement. Total annual contribution by the employer to the plans is defined by the annual and risk premiums charged by the insurance company. Total expense recognised for the plans for the year ended 31 December 2017 was GBP 0.1 million and EUR 3.4 million (Baht 135.4 million) (2016: GBP 0.1 million and EUR 1.9 million (Baht 78.8 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	
	2017	2016	2017	2016
	(in thousand Baht)			
Included in cost of sale of goods:				
Changes in inventories of finished goods and work in progress	(2,133,162)	(763,968)	-	-
Raw materials and consumables used	183,801,312	165,258,034	-	-
Employee benefit expenses	16,047,002	14,475,869	-	-
Depreciation and amortisation	10,783,584	9,693,358	-	-
Included in distribution costs and administrative expenses:				
Employee benefit expenses	2,922,731	2,747,583	-	-
Depreciation and amortisation	1,455,243	1,372,072	-	-

32 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in thousand Baht)			
Interest expense:					
Financial institutions		4,532,091	4,600,847	2,154,512	1,931,614
		4,532,091	4,600,847	2,154,512	1,931,614
Less: amount included in the cost of assets under construction	14	(667,620)	(378,526)	-	-
Net		3,864,471	4,222,321	2,154,512	1,931,614

33 Tax expense (income)

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		(in million Baht)			
Current tax expense					
Current year		2,937	1,374	-	-
Adjustment for (over) under provided in prior years		(88)	30	-	-
		2,849	1,404	-	-
Deferred tax expense	17				
Movements in temporary differences		(3,949)	682	(39)	18
Recognition of previously unrecognised tax losses		(300)	(24)	-	-
		(4,249)	658	(39)	18
Total income tax expense		(1,400)	2,062	(39)	18

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2017			2016		
	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	255	(51)	204	301	(60)	241
Cash flow hedges	478	(119)	359	15	(6)	9
Defined benefit plan actuarial gains (losses)	92	(24)	68	(231)	56	(175)
Total	825	(194)	631	85	(10)	75

	Separate financial statements					
	2017			2016		
	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	255	(51)	204	301	(60)	241
Total	255	(51)	204	301	(60)	241

Reconciliation of effective tax rate

	Consolidated financial statements			
	2017		2016	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		19,678		18,421
Income tax using the Thai corporation tax rate	20.00	3,936	20.00	3,684
Earnings and profits repatriation tax (a)		589		-
Income tax reduction - deferred - US (a)		(4,129)		-
Income tax reduction - deferred - other countries		(40)		(488)
Effect of different tax rates in foreign jurisdictions		593		471
Income not subject to tax and tax privileges		(995)		(688)
Coupon payment on subordinated perpetual debentures recognised in equity		(210)		(211)
Expenses not deductible for tax purposes		68		169
Utilisation of previously unrecognised tax losses		(59)		(164)
Recognition of deferred tax assets from previously unrecognised tax losses		(300)		(24)
Current year losses for which no deferred tax asset was recognised		702		504
(Over) under provided in prior years		(88)		30
Written-off unrecoverable deferred tax assets from loss carry forward		25		428
Share of (profit) losses of joint ventures		(23)		35
Foreign exchange differences arising from transaction of intercompany loans considered as part of net investment in foreign operations		(391)		(309)
Gain on bargain purchases		(731)		(1,340)
Change in recognition of temporary difference		(304)		6
Others		(43)		(41)
Total	(7.11)	(1,400)	11.19	2,062

	Separate financial statements			
	2017		2016	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		6,912		5,105
Income tax using the Thai corporation tax rate	20.00	1,382	20.00	1,021
Income not subject to tax		(1,211)		(792)
Coupon payment on subordinated perpetual debentures recognised in equity		(210)		(211)
Total	(0.56)	(39)	0.35	18

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.

- (a) On 22 December 2017, Public law no. 115-97 of USA (“the Act”) amended the Internal Revenue Code of 1986. Consequently, the corporate income tax rate have been reduced from 35% to 21% for accounting periods which begin on or after 1 January 2018. Additionally, a company’s foreign earnings and profits (E&P) accumulated in specified foreign corporations (“SFCs”) under legacy tax laws are deemed repatriated for the last taxable year of an SFC that begins before 1 January 2018. This is one-time transition tax. The tax on those deemed repatriated is payable over 8 years by 8% in each of years 1 to 5, 15% in year 6, 20% in year 7 and 25% in year 8.

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					
	2017			2016		
	Promoted businesses	Non-promoted businesses	Total (a)	Promoted businesses	Non-promoted businesses	Total (a)
	<i>(in thousand Baht)</i>					
Export sales	5,786,976	22,576,442	28,363,418	5,377,208	21,950,583	27,327,791
Local sales	8,350,485	29,401,827	37,752,312	7,657,851	26,797,181	34,455,032
Total revenue	14,137,461	51,978,269	66,115,730	13,035,059	48,747,764	61,782,823

(a) excluding revenues from foreign subsidiaries and inter-company eliminations.

35 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2017 and 2016 were based on the profit for the years attributable to owners of the parent less coupon payment on subordinated perpetual debentures and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to owners of the parent	20,882,861	16,197,103	6,950,763	5,086,917
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	19,832,861	15,147,103	5,900,763	4,036,917
Weighted average number of ordinary shares outstanding (basic)	4,985,196	4,814,272	4,985,196	4,814,272
Earnings per share (basic) <i>(in Baht)</i>	3.98	3.15	1.18	0.84

The management considered that the basic and diluted earnings per share for the year ended 31 December 2017 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 2017.

36 Dividends

At the meeting of the board of directors of the Company held on 10 August 2017, the board of directors approved the appropriation of interim dividend of Baht 0.45 per share, amounting to Baht 2,315.6 million. The dividend was paid to shareholders in September 2017.

At the annual general meeting of the shareholders of the Company held on 26 April 2017, the shareholders approved the appropriation of dividend of Baht 0.36 per share, amounting to Baht 1,733.2 million. The dividend was paid to shareholders in May 2017.

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.

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 monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors 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 ensuring that the majority of its borrowings are at fixed interest rates and uses 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 to related parties mature or re-price were as follows:

	Consolidated financial statements				
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)		(in thousand Baht)		
2017					
Current					
Short-term loans to related parties	1.32-8.48	155,611	-	-	155,611
Non-current					
Long-term loans to related parties	2.39-4.82	-	4,075	49,021	53,096
Total		155,611	4,075	49,021	208,707
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
	Separate financial statements				
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)		(in thousand Baht)		
2017					
Current					
Short-term loans to related parties	2.60-6.00	28,855,305	-	-	28,855,305
Non-current					
Long-term loans to related parties	2.60-6.20	-	-	31,020,889	31,020,889
Total		28,855,305	-	31,020,889	59,876,194
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

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Consolidated financial statements				
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)		(in thousand Baht)		
2017					
Current					
Bank overdrafts	0.60-4.37	852,697	-	-	852,697
Short-term loans from financial institutions	0.45-16.00	5,262,434	-	-	5,262,434
Long-term loans from financial institutions	1.45-6.50	6,167,823	-	-	6,167,823
Finance lease liabilities	2.50-20.00	48,512	-	-	48,512
Debentures	4.40-5.50	2,728,847	-	-	2,728,847
Non-current					
Long-term loans from financial institutions	1.45-7.70	-	42,104,745	224,312	42,329,057
Finance lease liabilities	2.50-20.00	-	132,857	146,077	278,934
Debentures	2.60-6.00	-	15,725,660	22,391,106	38,116,766
Total		15,060,313	57,963,262	22,761,495	95,785,070
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
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
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		19,116,128	59,907,009	23,063,165	102,086,302

	Separate financial statements				
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)		(in thousand Baht)		
2017					
Current					
Debentures	4.40-5.50	2,728,847	-	-	2,728,847
Non-current					
Long-term loans from financial institutions	2.79-3.95	-	13,765,704	-	13,765,704
Debentures	2.60-6.00	-	15,725,660	17,893,796	33,619,456
Total		2,728,847	29,491,364	17,893,796	50,114,007
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

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 the reporting date also relate to anticipated purchases and sales, 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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Cash and cash equivalents	1,278,396	1,302,269	9	-
Other investments	4,307	4,390	-	-
Trade accounts receivable	19,090,285	18,810,252	-	-
Short-term loans to related parties	106,053	396,183	14,780,147	9,303,414
Long-term loans to related parties	53,096	127,040	5,165,146	1,128,260
Interest-bearing liabilities	(44,479,130)	(51,005,580)	(13,765,704)	(8,971,891)
Trade accounts payable	(23,526,683)	(22,019,352)	-	-
Gross balance sheet exposure (a)	(47,473,676)	(52,384,798)	6,179,598	1,459,783
<i>Euro</i>				
Cash and cash equivalents	1,114,554	285,607	15	-
Other investments	10,376	17,723	-	-
Trade accounts receivable	6,873,855	6,557,632	-	-
Short-term loans to related parties	25,030	38,003	177,783	1,401,478
Long-term loans to related parties	-	-	1,196,414	2,822,980
Interest-bearing liabilities	(7,344,427)	(13,777,868)	-	(1,341,172)
Trade accounts payable	(8,228,640)	(7,117,841)	-	-
Gross balance sheet exposure (a)	(7,549,252)	(13,996,744)	1,374,212	2,883,286

- (a) As at 31 December 2017, financial assets and liabilities denominated in USD and Euro of Baht 18,461.3 million (2016: 27,102.8 million) and Baht 6,511.3 million (2016: 12,258.1 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		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
<i>Pounds Sterling</i>				
Cash and cash equivalents	30,939	10,987	-	-
Trade accounts receivable	487,027	377,581	-	-
Interest-bearing liabilities	(351,166)	(272,377)	-	-
Trade accounts payable	(72,036)	(45,800)	-	-
Gross balance sheet exposure	94,764	70,391	-	-
<i>Nigerian Naira</i>				
Cash and cash equivalents	409,206	889,703	-	-
Trade accounts receivable	258,692	45,646	-	-
Interest-bearing liabilities	-	(4,332)	-	-
Trade accounts payable	(119,203)	(72,576)	-	-
Gross balance sheet exposure	548,695	858,441	-	-
<i>Chinese Yuan</i>				
Cash and cash equivalents	283,579	148,471	-	-
Other investments	135,988	112,163	-	-
Trade accounts receivable	933,228	953,977	-	-
Interest-bearing liabilities	(1,421,496)	(1,200,546)	-	-
Trade accounts payable	(1,026,530)	(1,012,878)	-	-
Gross balance sheet exposure	(1,095,231)	(998,813)	-	-
<i>Mexican Peso</i>				
Cash and cash equivalents	37,385	33,305	-	-
Trade accounts receivable	220,488	201,012	-	-
Short-term loans to related parties	24,528	-	-	-
Trade accounts payable	(554,883)	(417,712)	-	-
Gross balance sheet exposure	(272,482)	(183,395)	-	-
<i>Polish Zloty</i>				
Cash and cash equivalents	19,638	4,751	-	-
Other investments	-	382	-	-
Trade accounts receivable	103,030	45,744	-	-
Trade accounts payable	(115,341)	(165,402)	-	-
Gross balance sheet exposure	7,327	(114,525)	-	-
<i>Indonesian Rupiah</i>				
Cash and cash equivalents	114,525	69,673	-	-
Trade accounts receivable	1,523,300	939,221	-	-
Interest-bearing liabilities	-	(27,387)	-	-
Trade accounts payable	(319,680)	(750,331)	-	-
Gross balance sheet exposure	1,318,145	231,176	-	-
<i>Danish Krone</i>				
Cash and cash equivalents	137,808	86,227	-	-
Trade accounts receivable	218,562	218,654	-	-
Trade accounts payable	(354,536)	(390,914)	-	-
Gross balance sheet exposure	1,834	(86,033)	-	-

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
<i>Philippines Peso</i>				
Cash and cash equivalents	81,582	15,747	-	-
Trade accounts receivable	145,291	139,944	-	-
Interest-bearing liabilities	(840,807)	(628,293)	-	-
Trade accounts payable	(53,632)	(12,327)	-	-
Gross balance sheet exposure	(667,566)	(484,929)	-	-
<i>Turkish Lira</i>				
Cash and cash equivalents	22	73	-	-
Trade accounts receivable	392,647	987,253	-	-
Interest-bearing liabilities	(293,064)	(7,602)	-	-
Trade accounts payable	(4)	(114,460)	-	-
Gross balance sheet exposure	99,601	865,264	-	-
<i>Indian Rupee</i>				
Cash and cash equivalents	-	427	-	-
Trade accounts payable	(50)	(1)	-	-
Gross balance sheet exposure	(50)	426	-	-
<i>Czech Koruna</i>				
Cash and cash equivalents	2,179	-	-	-
Other investments	2,299	-	-	-
Trade accounts receivable	1,769	-	-	-
Interest-bearing liabilities	(54,802)	-	-	-
Trade accounts payable	(36,491)	-	-	-
Gross balance sheet exposure	(85,046)	-	-	-

The net position of currency swaps and forward exchange contracts at 31 December 2017 was Baht 7,261.0 million (net asset transactions) (2016: Baht 4,304.0 million (net asset transactions)).

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. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Consolidated financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2017					
<i>Financial assets/Financial liabilities measured at fair value</i>					
Derivatives assets	1,282	-	1,282	-	1,282
Derivatives liabilities	425	-	425	-	425
Commodity hedge assets	-	-	188	-	188
Commodity hedge liabilities	-	-	9	-	9
31 December 2016					
<i>Financial assets/Financial liabilities measured at fair value</i>					
Derivatives assets	1,002	-	1,002	-	1,002
Derivatives liabilities	530	-	530	-	530
Commodity hedge assets	-	-	143	-	143
Commodity hedge liabilities	-	-	2	-	2
Separate financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2017					
<i>Financial assets/Financial liabilities measured at fair value</i>					
Derivatives assets	636	-	636	-	636
31 December 2016					
<i>Financial assets/Financial liabilities measured at fair value</i>					
Derivatives assets	779	-	779	-	779
Derivatives liabilities	250	-	250	-	250

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		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Capital commitments				
<i>Contracted but not provided for:</i>				
Land and land improvements	119	118	-	-
Buildings and other construction	372	318	-	-
Machinery and equipment	4,313	5,445	-	-
Total	4,804	5,881	-	-
Future minimum lease payments under non-cancellable operating leases				
Within one year	969	860	-	-
After one year but within five years	2,323	1,955	-	-
After five years	1,456	458	-	-
Total	4,748	3,273	-	-
Other commitments				
Purchase orders and unused letters of credit for goods and supplies	14,793	7,651	-	-
Bank guarantees	2,031	4,561	1,525	3,975
Others	11	97	-	-
Total	16,835	12,309	1,525	3,975

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.

IVL, through its indirect subsidiary, INBV, signed a definitive Share Purchase Agreement on 10 October 2017, with DuPont Teijin to acquire a 100% stake in their Films business which comprises of eight production assets in the US, Europe, China and a global innovation center in United Kingdom with a total film/polymer capacity of 277,000 tons per annum.

39 Events after the reporting period

During January 2018, 36 warrant holders (IVL-W2 Warrants) have exercised their rights. As a result, the Company has received Baht 7,148.3 million at the subscription price of Baht 43 per warrant. Upon conversion, these warrants will result in the issuance of 166,239,260 new ordinary shares, at par value of Baht 1 per share. The paid-up capital of the Company will increase to Baht 5,411.7 million representing 5,411,650,691 ordinary shares.

On 20 February 2018, the board of directors proposed for the dividend payment of Baht 0.55 per share, amounting to Baht 2,976.4 million. This dividend payment is subject to the approval by the shareholders of the Company.



World-class Chemical Company.

Indorama Ventures 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 monoethylene glycol.



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