

11<sup>th</sup> May 2018

President  
The Stock Exchange of Thailand

Subject: Disclosure of Connected Transaction by IVL's Subsidiaries

The Board of Directors Meeting No. 4/2018 of Indorama Ventures Public Company Limited (“**IVL**” or the “**Company**”) held on 11<sup>th</sup> May 2018, has approved Indorama Netherlands B.V. its indirect subsidiary to further acquire 24 % equity stake in PT. Indorama Petrochemicals, a PTA manufacturing plant in Indonesia from PT. Indo-Rama Synthetics Tbk. a connected party.

The value of the above acquisition, calculated in accordance with the regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand, as prescribed by the regulations of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (as amended), is less than 15 percent and the total size of all transactions in the past 6 months also does not exceed the 15 percent threshold limits as prescribed in the regulations.

The details of transaction are as follows:

**1. Transaction date:** Within Q2, 2018.

**2. The parties involved:**

Buyer: Indorama Netherlands B.V. an indirect subsidiary of Indorama Ventures PCL (IVL)

Seller: PT. Indo-Rama Synthetics Tbk. (PTIRS)

The majority shareholding of PTIRS is ultimately controlled and held for the benefit of Mr. Sri Prakash Lohia and his immediate family. Mr. SP Lohia is the President Commissioner and Mr. Amit Lohia is a Vice President Commissioner of PTIRS.

Mr. SP Lohia and Mr. Amit Lohia are Non- Executive Directors on the Board of Indorama Ventures Pcl (IVL)

**3. Description of transaction:**

Both Indorama Netherlands B.V. (INBV) and PT. Indorama Synthetics Tbk. (PTIRS) are JV partners with 50 % share each in PT. Indorama Petrochemicals, Indonesia a producer of Purified Terephthalic Acid (PTA). INBV had entered into a Call Option Agreement with PTIRS on 30 November 2011 to have a one-time call option to purchase all shares held by PTIRS in PT. Indorama Petrochemicals within 31 December 2016. On 01 September 2016 an Extension agreement was entered between the two parties to extend the call option period for two years up to 31 December 2018.

An amendment to the Extension Agreement dated May 11<sup>th</sup>, 2018 was made for a partial exercise of the Call option and an extension of effective period of the Call option for the balance shares. Pursuant to this agreement, INBV will exercise partial call option and acquire 24% shares of PT. Indorama Petrochemicals from PTIRS and thereby increase its stake to 74%. The balance 26% will continue to be held by PTIRS. The Call Option for the remaining shares has been extended up to December 31, 2019.

#### 4. The total value:

The total value of the acquisition of 24% shares from PTIRS will be approx. USD 55.13 million or equivalent to approx. Baht 1,752 million at the exchange rate of 1 USD = THB 31.77 and will be approx. 1.76 percent of the Net Tangible ASSET Value (NTA).

The above transaction will fall under 'transaction relating to assets or services' as prescribed in the notification of the Capital Market Supervisory Board No. Tor Chor 21/2551 Re: Related Parties Transaction and the Notification of the Board of Governors of the Securities Exchange of Thailand Re: Disclosure of information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003.

Since the transaction value is greater than 0.03% but less than 3% of the Company's net tangible asset value as per the consolidated financial statements ended on 31<sup>st</sup> March 2018, it is a medium sized transaction requiring the Company to:

- (a) take the approval of the Board of Directors; and
- (b) make a disclosure to the Stock Exchange of Thailand.

#### Calculation:

Net tangible assets value (NTA) as of 31 <sup>st</sup> March 2018 is:	99,523 Million Baht.
0.03% of net tangible asset value (NTA) is approx.:	30 Million Baht.
3% of net tangible asset value (NTA) is approx.:	2,986 Million Baht.

#### 5. Source of Capital: Internal Resources

#### 6. Interested directors not attending the meeting and voting:

- 1) Mr. Sri Prakash Lohia
- 2) Mr. Alope Lohia
- 3) Mrs. Suchitra Lohia
- 4) Mr. Amit Lohia

#### 7. Opinion of the Company's Board of Directors and Audit Committee on the reasonableness of the transaction:

The Audit Committee and Board is of the opinion that the transaction of acquiring 24% stake in PT. Indorama Petrochemicals by INBV from PTIRS is justified in view of the improving of PTA market conditions and the acquisition price paid is as per the Call option agreement dated November 30, 2011.

Please be informed accordingly

Yours faithfully,

(Mr. Souvik Roy Chowdhury)

Company Secretary