

14th May 2018

President
The Stock Exchange of Thailand

Subject: Acquisition of Equity stake in Avgol Industries 1953 Ltd., Israel

The Board of Directors' Meeting No. 3/2018 of Indorama Ventures Public Company Limited (“**IVL**” or the “**Company**”) held on April 26, 2018 has passed the resolution to approve the acquisition of an Equity stake of 65.72% in Avgol Industries 1953 Ltd., a listed entity on the Tel Aviv Stock Exchange (TASE), Israel (the “**Transaction**”).

The Transaction is considered an acquisition of assets in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (as amended), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (as amended) (collectively referred to as the “**Acquisition or Disposal Notification**”). According to the Acquisition or Disposal Notification, the Company needs to calculate its transaction size percentage by considering four criteria. The total transaction size of the Transaction calculated based on the total value of consideration criterion, which gives the highest transaction value, and after computation with the transaction size of the Company's other acquisition transactions within the past 6 months, is equivalent to 16.65 percent that based on the value of total assets in consolidated financial statement ended December 31st, 2017. This 16.65 percent transaction size falls in between 15 – 50 percent which shall be determined as Class 2 transaction under the Acquisition or Disposal Notification. Thus, the Company is required to disclose the certain information to the Stock Exchange of Thailand (SET) and circulate the information to shareholders within 21 days from the date of disclosure, the details of which are as follows:

1. Transaction Date

The Company and the Seller entered into a Share Purchase Agreement on 13th May 2018. The Company expects the closing of the transaction to be during the second quarter of 2018 subject to the applicable regulatory approvals.

2. Parties involved and Relationship with the Company

Purchaser: Indorama Ventures Spain S.L., incorporated under Spanish Laws, an indirect subsidiary of Indorama Ventures Public Company Limited.

Sellers: HFH International B.V and Bank Leumi Le-Israel B.M.

Relationship with the Company: None of the parties are considered to be a related person and are not connected persons under the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2008, Re: Rules on Connected Transactions dated August 31, 2008 and the Notification of the Board of Governors of the Stock Exchange of Thailand Re:

Disclosure of Information and Other Acts of Listed Companies concerning Connected Transactions, B.E. 2546 (2003) dated November 19, 2003.

3. Total value of assets being acquired

The total value of consideration for the acquisition of 193,687,756 ordinary shares in Avgol Industries 1953 Ltd. (“Avgol”) from the two Sellers is USD 313,774,165 (equivalent to approx. Thai Baht 9,946,641,030). The amount shall be paid in cash.

4. Criteria used to determine the value of assets being acquired

The consideration was arrived at after negotiation between the Company and the Sellers and took into account the fundamental intrinsic value of the assets and business based on historical and potential earnings and cash flow of the business. It has been valued by a range of valuation methods including relative valuation as reflected by relevant trading companies, precedent transactions and discounted cash flows.

5. The General Characteristics of Transaction and Transaction Size

5.1 General Characteristics of Transaction

The Company, through its indirect subsidiary, namely Indorama Ventures Spain S.L., shall purchase the ordinary shares of Avgol Industries 1953 Ltd. in the amount of 193,687,756 shares, comprising of 149,598,537 ordinary shares (50.76%) from HFH International B.V. and 44,089,219 ordinary shares (14.96%) from Bank Leumi Le-Israel B.M. and representing 65.72% of the total paid up share capital of Avgol.

5.2 Type and Size of Transaction

The Transaction calculated based on the total value of consideration criterion, which gives the highest transaction value, and after computation with the transaction size of the Company’s other acquisition transactions within the past 6 months, is equivalent to 16.65 percent which is based on the value of total assets in consolidated financial statement ended December 31st, 2017. This 16.65 percent transaction size falls in between 15-50 percent which shall be determined as Class 2 transaction under the Acquisition or Disposal Notification.

Details on the Transaction size calculation can be summarized as follows:

Criteria	Calculation	Size of Transaction (percent)
1. The net assets value of the tangible assets (NTA)	$\frac{(\text{NTA of assets being acquired} \times \text{proportion of acquisition}) \times 100}{\text{NTA of the listed company}}$	3.30%

Criteria	Calculation	Size of Transaction (percent)
2. The net profits	$\frac{(\text{Net operating profit of a company being acquired} \times \text{proportion of acquisition}) \times 100}{\text{Net operating profit of the listed company}}$	2.05%
3. The value of the consideration given or received	$\frac{\text{The value of consideration given or received} \times 100}{\text{Total assets of the listed company}}$	3.67%
4. The number of shares issued as the consideration of the acquired assets	$\frac{\text{Equity shares issued for the payment of assets} \times 100}{\text{Paid-up shares of the company}}$	N/A since the Company does not issue any securities as the consideration

6. Detail of Assets Acquired

6.1 General Information

Name	Avgol Industries 1953 Ltd.
Symbol	AVGL:IL
Registered Office	20 Lincoln, Tel-Aviv – Jaffa 6713412, Israel
Registration No.	510119068
Registration Capital	NIS 500,000,000
Paid-up Capital	NIS 294,712,502, excluding Treasury Shares (As of May 2 nd , 2018)
Board of Directors	Adam Henry Teeger Mark Richards Jacobson Jan Weeger Moulijn Marc Johan Slendbroek Saar Avnery Dan Orian Menno Stofer (Independent Director) Rami Entin (External Director) Rita Avni (External Director)
Business Type	Global manufacturer of non-woven fabric solutions for the diapers, incontinence and hygiene markets
Production capacity	203,000 Metric Tons per annum
Production Sites	Total six sites located in Israel, USA, Russia, China and India

6.2 Shareholding Structure

As of 2nd May 2018, list of major shareholders of Avgol Industries 1953 Ltd. are as follows:

No.	Name	No. of Share	Percent (%)
1.	HFH International BV	149,598,537	50.76
2.	Bank Leumi Le-Israel	44,089,219	14.96
3.	Migdal Insurance and Financial Holding	26,170,672	8.88
4.	Clal Insurance Co Ltd	21,843,114	7.41
5.	MORE Asset Management	3,324,052	1.13
6.	Psagot Investment House	2,375,541	0.81
7.	Merkazit Mutual Funds	1,792,062	0.61
8.	WisdomTree Investments, Inc	1,320,821	0.45
9.	Yelin Lapidot Holdings Management Ltd	1,189,232	0.40
10.	Dimensional Fund Advisors LP	1,152,359	0.39
11.	Others	41,856,893	14.20
	Total	294,712,502	100.00

6.3 Summary of Avgol Industries 1953 Ltd.'s Financial Information and Business Operating Results

Unit: USD (in thousand)

Items	2015	2016	2017
Total Assets	400,980	499,826	539,459
Total Liabilities	292,617	372,716	395,503
Shareholder's equity	108,363	127,110	143,956
Revenue	367,889	339,343	340,774
Expenses	346,990	314,569	313,740
Net Profit (Loss)	20,899	24,774	27,034

7. Expected Benefits

The acquisition will provide a unique opportunity for IVL to strengthen its leadership position in the high growth personal hygiene oriented nonwovens market.

Avgol is a leader in this segment with a compelling global footprint in new locations like Russia and India will be a complimentary strategic fit with IVL's current high value added (HVA) portfolio where it already has a well-established and strong presence.

8. Source of Funds

The Transaction will be funded from the Company's own internal resources and bank credit facilities.

9. Opinion of the Board of Directors concerning the decision to enter into a transaction

The Board of Directors unanimously considered and approved the investment of 65.72% in the ordinary shares of Avgol Industries 1953 Ltd. as appropriate and beneficial to the Company as stated in clause 7 above.

10. Opinion of the Audit Committee and/or the Director of the Company which is different from the opinion of the Board of Directors in Clause 9

None.

11. Interests or connected transactions between the Company and directors, management and shareholders directly or indirectly holding shares amounting to 10 percent to more

None.

12. Pending material lawsuits or claims relating to the business acquisition

None.

13. Additional Remarks

None.

Please be informed accordingly.

Sincerely yours,

(Mr. Souvik Roy Chowdhury)
Company Secretary