

Ref.No.IVL 005/11/2010

12 November 2010

President  
The Stock Exchange of Thailand

Subject: Capital Increase and Transferable Subscription Right (TSR)

- Attachments: 1. Details of Transferable Subscription Right of Indorama Ventures Public Company Limited
2. Capital Increase Report Form (Form 53-4)

The Board of Directors Meeting No. 7/2010 and Board of Directors Meeting No. 8/2010 of Indorama Ventures Public Company Limited (the “**Company**”) held on 3 November 2010 and 10 November 2010 respectively has passed the following resolutions:

1. Approved the reduction of registered capital of the Company from Baht 5,082,000,000 to Baht 4,334,271,047, by cancelling 747,728,953 authorized but unissued shares at the par value of Baht 1 per share
2. Approved the amendment of Clause 4 of the Company’s Memorandum of Association to be in line with the reduction of the Company’s registered capital as follows:

“Clause 4	Registered capital of	Baht 4,334,271,047	(Four Thousand Three Hundred Thirty Four Million Two Hundred Seventy One Thousand and Forty Seven Baht)
	Divided into	4,334,271,047 shares	(Four Thousand Three Hundred Thirty Four Million Two Hundred Seventy One Thousand and Forty Seven Shares)
	With a par value of	Baht 1	(One Baht)
		Categorized as	
	Ordinary shares	4,334,271,047 shares	(Four Thousand Three Hundred Thirty Four Million Two Hundred Seventy One Thousand and Forty Seven Shares)
	Preferred shares	- shares	- shares”

3. Approved the issuance of 481,585,672 free Transferable Subscription Right (TSRs) to the Company’s existing shareholders (rights issue) and that the allocation ratio will be 9 existing shares to 1 new TSR and any fraction of shares will be disregarded, the details of which appear as attached.

In this regard, 26 November 2010 will be fixed as the record date for determining the shareholders who are entitled to receive the TSRs (which is the same date of determining the shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2010), and 29 November 2010 will be fixed as the share register

book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (as amended).

Please note that the right to receive TSRs is uncertain and subject to the approval from the shareholders meeting.

The Board of Directors or Group CEO or person designated by Board of Directors or Group CEO shall be authorized to consider and determine other details with regard to the issuance of TSRs including but not limited to (1) period of the offering, exercise price, exercise period and other conditions and details in connection with the TSRs and allocation of such newly issued ordinary shares to be reserved for the exercise of TSRs, (2) entering into negotiation, agreement and execution of relevant documents and agreements as well as taking any action in connection with the allocation of such TSRs or newly issued ordinary shares to be reserved for the exercise of TSRs and (3) execution of application for permission and waiver, and necessary evidence in connection with the allocation of TSRs and such newly issued ordinary shares to be reserved for the exercise of TSRs, including the arrangement and submission of application for such permission and waiver, documents and evidence to relevant authorities or agencies, listing of such TSRs and newly issued ordinary shares on the SET, and being empowered to take any other action which is necessary and appropriate for the offer for sale of TSRs and such newly issued ordinary shares to be reserved for the exercise of TSRs.

4. Approved the increase of the registered capital of the Company from Baht 4,334,271,047 to Baht 4,815,856,719 by issuing 481,585,672 shares, at the par value of Baht 1 per share.
5. Approved the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital as follows:

"Clause 4	Registered capital of	Baht 4,815,856,719	(Four Thousand Eight Hundred Fifteen Million Eight Hundred Fifty Six Thousand and Seven Hundred Nineteen Baht)
	Divided into	4,815,856,719 shares	(Four Thousand Eight Hundred Fifteen Million Eight Hundred Fifty Six Thousand and Seven Hundred Nineteen Shares)
	With a par value of	Baht 1	(One Baht)
		Categorized as	
	Ordinary shares	4,815,856,719 shares	(Four Thousand Eight Hundred Fifteen Million Eight Hundred Fifty Six Thousand and Seven Hundred Nineteen Shares)
	Preferred shares	- shares	- shares"

6. Approved the allocation of 481,585,672 newly issued ordinary shares at the par value of Baht 1 per share to be reserved for the exercise of TSRs

In case where there are any shares remaining unexercised from the TSRs, the remaining unexercised shares will be allocated in one or several tranches from time to time by way of private placement, in accordance with the Notification of the Capital

Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, dated 15 December 2008 (as amended), provided that such investor(s) are not connected persons of the Company. In addition, the determined offering price (private placement) shall not be lower than 90% of the market price according to the relevant notification of the Capital Market Supervisory Board and/or the Office of the Securities and Exchange Commission.

In this regard, the Board of Directors or Group CEO or person designated by Board of Directors or Group CEO shall be authorized to consider and determine other details with regard to the allocation of such newly issued ordinary shares and shares reserved for TSRs including but not limited to (1) number of allocations of the newly issued ordinary shares, whether in one or several tranches from time to time, period of the offering, record date and the date to collect the names of the shareholders who are entitled to the allocation, offering price, payment of share subscription price, other conditions and details in connection with the allocation of such newly issued ordinary shares and shares reserved for TSRs, (2) entering into negotiation, agreement and execution of relevant documents and agreements as well as taking any action in connection with the allocation of such newly issued ordinary shares and (3) execution of application for permission and waiver, and necessary evidence in connection with the allocation of such newly issued ordinary shares and shares reserved for TSRs, including the arrangement and submission of application for such permission and waiver, documents and evidence to relevant authorities or agencies, listing of such newly issued ordinary shares on the SET and being empowered to take any other action which is necessary and appropriate for the allocation of such newly issued ordinary shares.

7. Approved the convening of the Extraordinary General Meeting of Shareholders No. 1/2010 on Friday, 17 December, 2010, at 10.00 am. at Ballroom, Four Seasons Hotel, No. 155 Rajadamri Road, Bangkok 10330, to consider the following agenda items:
  1. To consider and certify the Minutes of the Annual General Meeting of Shareholders No. 1/2010 held on 27 April 2010
  2. To consider and approve the reduction of registered capital of the Company from Baht 5,082,000,000 to Baht 4,334,271,047, by cancelling 747,728,953 authorized but unissued shares at the par value of Baht 1 per share
  3. To consider and approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the reduction of the Company's registered capital
  4. To consider and approve the issuance and offering of Transferable Subscription Right (TSRs)
  5. To consider and approve the increase of registered capital of the Company in the amount of 481,585,672 shares at the par value of Baht 1 per share
  6. To consider and approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital
  7. To consider and approve the allocation of newly issued ordinary shares

8. Other business (if any)

8. Approved that 26 November 2010 will be fixed as the record date for determining the shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2010 and 29 November 2010 will be fixed as the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (as amended).

Yours faithfully,

(Mr. Souvik Roy Chowdhury)  
Company Secretary

–Translation –

**Details of Transferable Subscription Right of  
Indorama Ventures Public Company Limited  
("IVL-T1")**

<b>Type of securities</b>	Transferable Subscription Right of Indorama Ventures Public Company Limited (the "Company") for existing shareholders ("IVL-T1" or "TSR")
<b>Type of TSR</b>	Named and transferable
<b>Number of TSR</b>	481,585,672 units (Four hundred eighty one million five hundred eighty five thousand six hundred and seventy two units)
<b>Number of shares reserved for conversion to IVL-T1</b>	481,585,672 shares (at a par value of Baht 1.00 per share), accounting for not more than 11.11% of the paid-up shares of the Company of 4,334,271,047 shares (with a par value of Baht 1.00 each) as of November 3, 2010
<b>Offering and allocation method</b>	<p>The Company will offer TSR of 481,585,672 units to existing shareholders by rights offering basis, at the ratio of 9 existing shares for 1 unit of IVL-T1. If there is any fraction of TSR from the allocation calculation, such fraction will be disregarded. The record date for determining the shareholders entitled to receive TSR of the Company (IVL-T1) is on November 26, 2010 and the book closing date under Section 225 of the Securities and Exchange Act 1992 is on November 29, 2010.</p> <p>Shareholders will receive IVL-T1 in a scripless form only. The allocation will be divided into 2 cases;</p> <ol style="list-style-type: none"> <li>1. Shareholders who have a securities trading account with a securities company: The Thailand Securities Depository Co., Ltd. ("TSD") will issue the TSR titled "Thailand Securities Depository Co., Ltd. for clients" and it will record the total number of deposited TSR while the respective securities company shall record the total number of TSR on its clients' accounts and shall issue evidence to the shareholders</li> <li>2. Shareholders who do not have a securities trading account: The TSR shall be deposited to the issuer's 600 account for clients. TSD shall record the total number of deposited TSR and issue evidence to the shareholders.</li> </ol>
<b>Issuing and Offering date</b>	Offering date shall be determined afterward by the Board of Directors or Group CEO or person designated by Board of Directors or Group CEO. However, the Company will inform the issuing and offering date to shareholders at the shareholders' meeting. The issuance of IVL-T1 to all shareholders proportionally is regarded as approved by the Office of the Securities and Exchange Commission (the "SEC") and Company has duty to comply with the notification of the Capital Market Supervisory Board no.TorJor 33/2008 re: Approval of Offer for Sale of Newly Issued Shares to reserve for Transferable Subscription Right dated on December 15, 2008.
<b>Offering price</b>	Baht 0.00 per unit (Baht Zero)
<b>Maturity of TSR</b>	Not exceeding 2 months from the issued date
<b>Conversion ratio</b>	1 unit of IVL-T1 is entitled to purchase 1 newly issued share of the Company

<b>Exercise price</b>	Exercise price shall be determined afterward by the Board of Directors or Group CEO or person designated by Board of Directors or Group CEO. However, the Company will inform the exercise price to shareholders at the shareholders' meeting.
<b>TSR registrar</b>	The Thailand Securities Depository Co., Ltd.
<b>Impact to shareholders</b>	<p><u>Impact to shareholders will be considered into 2 scenarios as follows:</u></p> <p>Scenario 1: All IVL-T1 are exercised by existing shareholders</p> <p>Scenario 2: All IVL-T1 are exercised by new shareholders (all IVL-T1 are transferred in the Stock Exchange of Thailand (the "SET"))</p> <p>Under the assumption that the Company issues and offers 481,585,672 units of TSR</p> <p><u>1. Control Dilution</u></p> <p>Scenario 1: none and;</p> <p>Scenario 2: not exceeding 10.00%</p> <p>Control Dilution Formula <math>= 1 - (Q_o / (Q_o + Q_w))</math></p> <p><u>Whereas :</u></p> <p><math>Q_o</math> = Total existing paid-up share which are 4,334.27 million shares (at a par value of baht 1.00 each)</p> <p><math>Q_w</math> = Total newly issued shares reserved for exercising of the TSR which are 481.59 million shares (at a par value of baht 1.00 each)</p> <p><u>Thus :</u></p> <p>Control Dilution = <math>1 - (4,334.27 / (4,334.27 + 481.59))</math></p> <p>= 10.00%</p> <p><u>2. EPS Dilution</u></p> <p>Scenario 1 and 2: not exceeding 10.00%</p> <p>EPS Dilution Formula = <math>(EPS_o - EPS_{New}) / EPS_o</math></p> <p><u>Whereas :</u></p> <p><math>EPS_o</math> = Net profit / <math>Q_o</math></p> <p><math>EPS_{New}</math> = Net profit / <math>(Q_o + Q_w)</math></p> <p>The net profit used for calculation is the latest trailing 12-month (October 1, 2009 to September 30, 2010) which is Baht 7,930.56 million</p> <p><u>Thus :</u></p> <p><math>EPS_o</math> = <math>7,930.56 / 4,334.27</math></p> <p>= Baht 1.8297 per share</p> <p><math>EPS_{New}</math> = <math>7,930.56 / 4,815.86</math></p> <p>= Baht 1.6468 per share</p> <p>EPS Dilution = <math>(1.8297 - 1.6468) / 1.8297</math></p> <p>= 10.00%</p>

<b>Impact to shareholders</b>	<p><u>3. Price Dilution</u></p> <p>Price dilution cannot be determined as exercise price shall be determined afterward by the Board of Directors or Group CEO or person designated by Board of Directors or Group CEO. However, the Company will inform the exercise price to shareholders at the shareholders' meeting. However, the price dilution formula is shown below.</p> <p>Price Dilution Formula = (price before the offering - price after the offering) / price before the offering</p> <p><u>Whereas:</u></p> <p>Price before the offering = weighted average market price 15 working days before the date that the Board of Directors has a resolution to issue TSR as of November 3, 2010</p> <p>Price after the offering = ((Price before the offering x Paid-up shares) + (Exercise price x Reserved shares)) / (Paid-up shares + Reserved shares))</p>
<b>Exercise date</b>	<p>TSR holders shall exercise their rights after the closing date of TSR registration book, which the Company shall notify the SET to suspend the trading (SP) before the exercise period, which will be at least 15 days. If the TSR holders do not exercise their rights within the exercise period, the TSRs will be expired and the TSR holders cannot subscribe for capital increase shares</p>
<b>Remaining unexercised shares</b>	<p>In case where there are any shares remaining unexercised, the remaining unexercised shares will be allocated by way of private placement</p>
<b>Secondary market of the TSR</b>	<p>IVL-T1 will be listed on the Stock Exchange of Thailand</p>
<b>Secondary market of the newly issued shares (from conversion of IVL-T1)</b>	<p>The newly issued shares will be listed on the Stock Exchange of Thailand</p>

(Translation)

(F53-4)

**Capital Increase Report Form**  
**Indorama Ventures Public Company Limited**  
**Date 12 November 2010**

We, Indorama Ventures Public Company Limited (the “**Company**”) hereby report the resolutions of the Board of Directors Meeting No. 7/2010 held on 3 November 2010 from 2.00 p.m. to 6.00 p.m. and the Board of Directors Meeting No. 8/2010 held on 10 November 2010 from 2.00 p.m. to 5.00 p.m. at 75/102 Ocean Tower 2, 37th Floor, Soi Sukhumvit 19, Asoke road, Klongtoey Nuea, Wattana, Bangkok, with respect to the Company’s capital increase and allocation of new shares as follows:

**1. Capital Reduction / Capital Increase**

The Meeting of the Board of Directors passed a resolution approving:

- 1) The reduction of registered capital of the Company from Baht 5,082,000,000 to Baht 4,334,271,047, by cancelling 747,728,953 authorized but unissued shares with a par value of Baht 1 per share; and
- 2) The increase of registered capital from Baht 4,334,271,047 to Baht 4,815,856,719 by issuing 481,585,672 newly issued ordinary shares with a par value of Baht 1 per share, totaling Baht 481,585,672.

**2. Allotment of new shares**

The Board of Directors' Meeting passed a resolution approving the allocation of 481,585,672 ordinary shares with a par value of Baht 1 each, totaling Baht 481,585,672, the details are as follows:

**2.1 Details of allotment**

<b>Allotted to</b>	<b>Number (shares)</b>	<b>Ratio (Old:New)</b>	<b>Sale price per share (Baht)</b>	<b>Subscription and payment period</b>	<b>Note</b>
To be reserved for the exercise of Transferable Subscription Rights (“TSRs”)	481,585,672	Please see remark 1	Please see remark 2	Please see remark 2	Please see remarks 2 and 3

**Remark**

1. TSR allocation ratio is 9 existing shares for 1 TSR unit. If there is any fraction of TSR from the allocation calculation, such fraction will be disregarded, and 1 TSR unit is entitled to purchase 1 newly issued share of the Company
2. The exercise price of TSRs shall be determined afterward by the Board of Directors or Group CEO or person designated by Board of Directors or Group CEO. However, the Company will inform the exercise price to shareholders at the shareholders' meeting.

The Board of Directors or Group CEO or person designated by Board of Directors or Group CEO shall be authorized to consider and determine other details with regard to the allocation of such newly issued ordinary shares and shares reserved for TSR including but not limited to (1) number of allocations of the newly issued ordinary shares, whether



(Translation)

in one or several tranches from time to time, period of the offering, record date and the date to collect the names of the shareholders who are entitled to the allocation, offering price, payment of share subscription price, other conditions and details in connection with the allocation of such newly issued ordinary shares and shares reserved for TSRs, (2) entering into negotiation, agreement and execution of relevant documents and agreements as well as taking any action in connection with the allocation of such newly issued ordinary shares and (3) execution of application for permission and waiver, and necessary evidence in connection with the allocation of such newly issued ordinary shares and shares reserved for TSRs, including the arrangement and submission of application for such permission and waiver, documents and evidence to relevant authorities or agencies, listing of such newly issued ordinary shares on the SET and being empowered to take any other action which is necessary and appropriate for the allocation of such newly issued ordinary shares.

3. In case where there are any shares remaining unexercised from the TSR, the remaining unexercised shares will be allocated in one or several tranches from time to time by way of private placement, in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, dated 15 December 2008 (as amended), provided that such investor(s) are not connected persons of the Company. In addition, the determined offering price shall not be lower than 90% of the market price according to the relevant notification of the Capital Market Supervisory Board and/or the Office of the Securities and Exchange Commission.

- 2.2 The Company's plan in the case where there is a fraction of shares remaining

If there is any fraction from the allocation calculation, such fraction shall be disregarded.

- 2.3 The number of shares remaining from the allotment

- None -

### **3. Schedule for the Shareholders Meeting to approve the capital increase and allotment of new shares**

The Extraordinary General Meeting of Shareholders No. 1/2010 ("**EGM No.1/2010**") is scheduled to be held on 17 December 2010 at 10.00 a.m. at Ballroom, Four Seasons Hotel, No. 155 Rajadamri Road, Bangkok 10330. The record date for determining the shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2010 and receiving the allocation of TSR is 26 November 2010 and the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) is 29 November 2010.

### **4. Approval for the capital increase / allotment of capital increase shares by relevant government bodies and conditions thereto (if any)**

- None -

### **5. Objectives of the capital increase and plans for utilizing proceeds obtained from the capital increase**

1. For the acquisition and expansion in the future
2. For general working capital purposes

(Translation)

**6. Benefits which the Company will receive from the capital increase/share allotment:**

The Company views that the planned acquisition and expansion will benefit the Company and shareholders as expanding the Company's business in the polyester value chain which includes PET, PTA and Polyester fibers and yarns will be accretive to the Company's future performance.

**7. Benefits which the shareholders will receive from the capital increase/share allotment:**

**7.1 Dividend Policy**

The Company has a policy to distribute dividends to its shareholders not less than 30% of the net profit after tax and the allocation to the reserve fund. However, the Board of Directors shall have the authority to consider 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 a reserve for debt payment, capital investment for production expansion or as a support in case of change to market conditions which would affect the Company's future cash flow.

**7.2 Shareholders' rights**

A holder of TSR, who has exercised the right to purchase the Company's shares, (i) will become a shareholder only after the Company registers the paid-up capital with the Department of Business Development and (ii) will therefore be entitled to obtain dividends if the Company declares dividend payment.

**7.3 Others**

- None -

**8. Other details necessary for shareholders to approve the capital increase/share allotment**

- None -

**9. Schedule of action where the Board of Directors of the Company passes a resolution approving the capital increase/ allocation of new shares**

9.1	The date of the Meeting of the Board of Directors No. 7/2010 and the Board of Directors No. 8/2010	- 3 November 2010 - 10 November 2010
9.2	Record date for determining the shareholders entitled to attend the EGM No. 1/2010 and entitled to receive TSR	- 26 November 2010
9.3	Closing date of the share registration book	- 29 November 2010
9.4	EGM No. 1/2010 date	- 17 December 2010
9.5	Registration date of capital increase with the Department of Business Development, Ministry of Commerce	- within 14 days after the date of EGM No. 1/2010

(Translation)

The Company hereby certifies that the information contained in this report form is true and complete in all respects

Signed \_\_\_\_\_ authorized director  
(Mr. Sashi Prakash Khaitan)  
Position Director

Signed \_\_\_\_\_ authorized director  
(Mr. Alope Lohia)  
Position Director