

Ref.No.IVL006/11/2018

20<sup>th</sup> November 2018

President  
The Stock Exchange of Thailand

Subject: Disclosure of Connected Transaction by IVL's Subsidiary

The Board of Directors Meeting No. 6/2018 of Indorama Ventures Public Company Limited (“**IVL**” or the “**Company**”) held on 19<sup>th</sup> November 2018, has approved Indorama Netherlands B.V. (“**INBV**”), its indirect subsidiary, to further acquire the remaining 26% equity stake in PT. Indorama Petrochemicals (“**PTIP**”), a PTA manufacturing plant in Indonesia from PT. Indo-Rama Synthetics Tbk., a connected party.

**Rationale of the transaction:**

Under the Call Option Agreement between INBV and PTIRS dated November 30, 2011 (as amended), INBV had the option to acquire the remaining 26% shares of PTIP from PTIRS until December 31, 2019.

Industry fundamentals continue to be positive, led by strong downstream demand growth, limited new supply and on-going restructuring seen in the PET and PTA industry. Significant recovery in Asia PTA margins driven by the above factors has sustained over 2018.

With the transformational retrofit capex programs in PTIP having completed last year, PTIP has delivered strong technical results in 2018 with capacity utilization at around 90% with conversion costs matching the first quartile plants.

Accordingly IVL management believes the acquisition of balance 26% stake now will help integrate the PTIP assets with other IVL investments in Indonesia and bring in further synergies.

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 Q1, 2019.

2. **The parties involved:**

Buyer: Indorama Netherlands B.V. (“**INBV**”), an indirect subsidiary of 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. Sri Prakash Lohia is the President Commissioner and Mr. Amit Lohia is the Vice President Commissioner of PTIRS.

Mr. Sri Prakash Lohia and Mr. Amit Lohia are Non- Executive Directors on the Board of IVL.

### 3. The total value:

The total value of the acquisition of the remaining 26% shares of PTIP from PTIRS will be approx. Baht 1,978 million and will be approx. 1.89 percent of the Net Tangible Assets 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. Thor 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 30<sup>th</sup> September 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 30 <sup>th</sup> September 2018 is:	104,932	Million Baht.
0.03% of Net Tangible Assets Value (NTA) is approx.:	31.48	Million Baht.
3% of Net Tangible Asset Value (NTA) is approx.:	3,148	Million Baht.

### 4. Source of Capital: Internal Resources

### 5. 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

### 6. 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 the remaining 26% equity stake in PTIP by INBV from PTIRS is justified and the acquisition price paid is as per the Call Option agreement dated November 30, 2011 (as amended).

Please be informed accordingly.

Yours faithfully,

(Mr. Souvik Roy Chowdhury)  
Company Secretary