

Ref.No.IVL005/11/2021

12<sup>th</sup> November 2021

President  
The Stock Exchange of Thailand

Subject: Information Memorandum on a Connected Transaction

The Board of Directors Meeting No. 8/2021 of Indorama Ventures Public Company Limited (“**IVL**” or the “**Company**”) held on 12<sup>th</sup> November 2021, has approved the acquisition of asset transactions for the purchase of land and buildings, including utility machinery at the total purchase price of Baht 112.90 Million (hereinafter collectively referred to as the “**Acquired Assets**”), from Aurus Speciality Limited, who is the Company’s connected person, (hereinafter referred to as “**Aurus**” or the “**Seller**”) (hereinafter referred to as the “**Transaction**”). The Acquired Assets will be purchased by direct subsidiaries of the Company, namely Indorama Polyester Industries Public Company Limited (“**IPI**”) and Indorama Holdings Limited (“**IRH**”) (hereinafter, collectively, referred to as the “**Purchasers**”) and used for constructing of their new projects (see Rationale below).

The Transaction is considered a connected transaction in the category of assets or services pursuant to the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551 re: Rules regarding Connected Transaction and the Notification of the Board of Governor of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies concerning Connected Transactions, B.E. 2546 (A.D. 2003) (as amended) (collectively, the “**Connected Transaction Notification**”), as they are transactions between the Company’s subsidiaries and the Company’s connected person (see 2 and 3 below). Based on the maximum purchase amount, the value of the Transaction will be equivalent to 0.11% of the Company’s Net Tangible Asset (NTA) based on the Company’s reviewed financial statements on a consolidated basis as of 30<sup>th</sup> September 2021. The Company does not have a transaction with the same connected person within the past six months prior to the approval of the Transaction. As the value of the Transaction was more than 0.03% but less than 3% of the NTA, the Company is required to have the Board of Directors approve the Transactions and disclose the information to the SET pursuant to the Connected Transaction Notification.

In addition, the Transaction will also constitute acquisitions of assets pursuant to the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as an Acquisition or Disposal of Assets 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 (A.D. 2004) (as amended) (collectively, the “**Acquisition Notification**”). As the value of the Transactions, which is based on the Company’s reviewed financial statements on a consolidated basis as of 30<sup>th</sup> September 2021, is less than 15% and the total size of all transactions within the past 6-month period does not exceed 15%, the Company has no duty to disclose the transaction under the Acquisition Notification.

#### **Rationale of the Transaction:**

Pursuant to IVL’s stated sustainability strategy and its global commitment to invest in the circular economy through green initiatives, the Company proposes to utilize the Acquired Assets to invest in a PET recycling facility that will also comprise a preform manufacturing unit and a solar power facility at a single location in Thailand (the “**Project**”) to form a comprehensive green and sustainable recycling solution.

To undertake the above green projects, IVL would require new space and currently there is no available space at other IVL locations in Thailand.

Aurus Speciality Limited is currently an entity owned by a connected party and is under the process of winding up its operations at Saraburi, offering the opportunity to acquire readily available land, some utility assets and trained / competitive manpower for undertaking the new Project.

The Aurus location would allow IVL to execute the project faster vis-à-vis if it had to find a new vacant land and develop it. Moreover, Saraburi has locational advantages to tap into the supply of bottles coming from North/north- east Thailand and its close proximity to key preform customers.

The proposed assets to be acquired from Aurus, are as below:

Assets	Amount in THB Million
Land	78
Buildings and utility machinery	34.9
<b>Total</b>	<b>112.9*</b>

\* to be purchased by IPI and IRH

In order to determine the arms-length pricing for the assets to be purchased, IVL engaged American Appraisal (Thailand) Limited ("**American Appraisal**"), a reputed independent valuation Company to perform a fair market valuation of the assets. Fair market value is defined as the estimated amount at which a property might be expected to exchange between a willing buyer and a willing seller, neither being under compulsion, each having reasonable knowledge of all relevant facts, with equity to both. The fair value of the assets as mentioned above as per American Appraisal's report is the price at which the Company proposes to buy the assets.

The details of the Transaction are as follows:

**1. Transaction date:**

The Transaction will start from November 2021 and is expected to be completed within Q1, 2022 subject to BOI's approval.

**2. Parties involved:**

- 2.1 Indorama Polyester Industries Public Company Limited ("**IPI**") and Indorama Holdings Limited ("**IRH**"), which are direct subsidiaries of the Company, as the Purchasers; and
- 2.2 Aurus Speciality Limited, as the Seller.

**3. Name of connected persons and scope of their interest:**

The major shareholder of the Seller is Beacon Chemicals Limited and whose ultimate beneficiaries are Mr. Aloke Lohia, the Group CEO of the Company, and Mrs. Suchitra Lohia, the Deputy Group CEO of the Company, holding approximately **99.71%**.

In addition, Mr. Yashovardhan Lohia, an Executive Director and the Chief Sustainability Officer of the Company, is the authorized director of the Seller.

#### 4. Details of the Acquired Assets:

Land details:	Title Deed No. 1463	12 Rai 3 Ngan 62 square wa
	Title Deed No. 1466	6 Rai 57 square wa
	Title Deed No. 1473	5 Rai 3 Ngan 92 square wa
	Title Deed No. 1474	13 Rai 91 square wa
	Title Deed No. 1475	31 Rai 1 Ngan 94 square wa
	Title Deed No. 1476	3 Rai 1 Ngan 94 square wa
	Title Deed No. 1477	5 Rai 66 square wa
	Title Deed No. 1478	7 Rai 94 square wa
	Title Deed No. 1479	3 Rai 3 Ngan 39 square wa
	Title Deed No. 1481	8 Rai 35 square wa
Total area of land:	97 Rai 2 Ngan 24 square wa	
Location:	Songkhorn Sub-district, Kaengkhroi District, Saraburi Province	
Ownership Documents:	Title Deed	
Other assets on land:	Buildings and utility machinery (Effluent and water treatment plant, and others)	

#### 5. General characteristics of the Transaction:

IPI and IRH will enter into the asset purchase agreements with the Seller at the total purchase price of Baht 112.90 Million, which is priced by an independent appraiser based on the value of assets by using market comparison approach. The amount shall be paid in full by cash.

#### 6. Transaction value and size:

##### 6.1 Connected Transaction

The size of the Transactions, which are connected transactions in the category of assets or services pursuant to the Connected Transaction Notification, is equivalent to 0.11% of the NTA based on the reviewed financial statements of the Company on the consolidated basis as of 30<sup>th</sup> September 2021. The Company does not have a transaction with the same connected person within the past six months prior to the approval of the Transactions. Since the transaction value is greater than 0.03% but less than 3% of the NTA, the Company is required to:

- (a) Take the approval of the Board of Directors; and
- (b) Make a disclosure to the SET.

##### Calculation:

	Baht (Million)
NTA as of 30 <sup>th</sup> September 2021 is:	103,623.99
0.03% of the NTA is approximately:	31.09
3% of the NTA is approximately:	3,108.72

##### 6.2 Acquisition of Assets

The Transactions value which are based on the Company's reviewed financial statements on a consolidated basis as of 30<sup>th</sup> September 2021, is less than 15% and the total size of all transactions within the past 6-month period does not exceed 15%, the Company has no duty to disclose the transaction under the Acquisition Notification.

**7. Sources of Funding:**

The source of funds for the Transaction would be from the Company's internal cash flow.

**8. Interested directors not attending the meeting and voting:**

- 1) Mr. Sri Prakash Lohia;
- 2) Mr. Aloke Lohia;
- 3) Mrs. Suchitra Lohia;
- 4) Mr. Amit Lohia; and
- 5) Mr. Yashovardhan Lohia.

**9. Opinion of the Company's Board of Directors and Audit Committee on the reasonableness of the Transaction:**

The Audit Committee and the Board of Directors were of the opinion that the rational of purchasing the assets belonging to Aurus Specialty Limited at Saraburi to undertake their green initiative **Project** in terms of locational advantage and speed of completion is reasonable. The price being paid is vetted by an independent appraisal company and their valuation methodology indicated the purchase price of the assets to be fair, reasonable with general market conditions and thus the Transaction could be justified to be on an arm's length basis.

The Transaction would be for the overall benefit of the Company as it would support not only the Company's strategy on sustainability and green initiatives but also the Government's initiative on "BCG" and sustainability.

**10. Opinion of the Audit Committee and/or the Director which is Different from the Board of Directors' Opinion:**

-None-

Please be informed accordingly.

Yours faithfully,

(Mr. Souvik Roy Chowdhury)  
Company Secretary