

TAX REPORTING

We are committed to an open and principles-based approach towards taxation, being transparent in our economic contributions, and providing clarity in our reporting.

CIT contribution for 2019

IVL has a presence in 32 countries, five continents and 109 operating sites as on 31 December 2019. In-line with our continued efforts at transparency, we are providing information on the following country by country information:

Country* <i>THB Million</i>	Revenues (A)	Profit Before Taxes (B)	Corporate Income Tax Expenses (C)
United States	81,885	(808)	38
Thailand	39,285	4,986	95
India	26,686	(500)	452
Indonesia	22,891	671	825
Mexico	21,713	34	(41)
Germany	18,834	(28)	(275)
China	18,304	44	30
Brazil	15,613	(150)	(162)
Spain	14,620	(853)	(210)
Netherlands	12,949	980	113
Egypt	9,260	(1,095)	(15)
Poland	8,077	647	94
Canada	7,850	938	252
Turkey	7,641	378	4
Nigeria	4,697	342	232
Italy	4,425	68	27
Portugal	3,823	(35)	(13)
Other Countries	34,139	279	89
Total	352,692	5,898	1,534

(A) Revenue for each region/country excludes intercompany transactions

(B) Profit Before Taxes includes certain Accounting (Non-Taxable) Adjustments

(C) CIT includes Deferred Income Taxes

* Other Countries represent only 9.7% of our total revenue

Effective Tax and Cash Tax Reporting

The table below states the average reported effective tax rate as well as cash tax rate for IVL for the 2018 and 2019 periods:

Financial Reporting (THB Million)	FY 2018	FY 2019	Average Rate
Earnings before Tax	30,150	5,898	
Reported Taxes	3,812	1,534	
Effective Tax Rate (in %)	12.64%	26.01%	14.83%
Cash Taxes Paid	3,186	3,248	
Cash Tax Rate (in %)	10.57%	55.07%	17.85%

IVL's average tax rate is lower than Thailand's statutory tax of 20% due to following reasons:

1. Thailand accounted for about 85% of IVL's total profitability in 2019 including certain subsidiaries incorporated in Thailand which were granted several privileges including exemptions and/or reductions from payment of income tax on the net profits derived from promoted operations.
2. Thailand's profitability also includes a "Gain on Bargain Purchase" of THB 1.9 billion and THB 800 million for 2018 and 2019 respectively, accounting income that is considered an "extraordinary item" not subject to taxation.
3. Lower cash taxes on account of carry forward losses in certain countries including the United States, Canada, Brazil, Spain and Portugal.