

## DISCLOSURE OF INFORMATION PT CHANDRA ASRI PETROCHEMICAL TBK

This Information Disclosure is prepared in order to fulfil the requirements of the Financial Services Authority Regulation of the Republic of Indonesia Number 42/POJK.04/2020 on Affiliate Transaction and Conflict of Interest Transactions (“**POJK 42/2020**”)



**PT Chandra Asri Petrochemical Tbk**  
(the “**Company**”)

**Line of Business:**

Petrochemical

**Head Office:**

Wisma Barito Pacific Tower A, 7th Floor  
Jl. Letjen S. Parman Kav. 62-63, Jakarta 11410

Telephone: (021) 530 7950

Faximile: (021) 530 8930

E-mail: [corporatesecretary@capcx.com](mailto:corporatesecretary@capcx.com)

Website: <http://www.chandra-asri.com>

**Subject:** Disclosure of Information on Affiliate Transaction related to the Jetty, Tank and Pipe Lease Transaction between the Company and PT Redeco Petrolin Utama

*This Disclosure of Information is published in Jakarta on 30 December 2022*

### I. BACKGROUND

On 23 June 2006, PT Styrimdo Mono Indonesia (had merged into the Company effective January 1, 2021) and PT Redeco Petrolin Utama (“**PT RPU**”) signed:

- i. Tank Lease and Jetty & Pipe Lease Agreement (Benzene) No.405/LT-Contract/2006 (“**Benzene Agreement**”); and
- ii. Jetty and Pipe Lease Agreement (Styrene Monomer and Ethylene) No. 406/LT-Contract/2006 (“**SM Agreement**”);

hereinafter these two agreements are referred to as the “**Initial Agreement**”.

The Initial Agreement has been amended several times, where the latest amendment is as stated in the (i) Fifth Amendment to the Tank Lease and Jetty & Pipe Lease Agreement (Benzene) Rental Agreement dated 28 December 2022 ("**Benzene Amendment**") and (ii) Fourth Amendment of the Jetty and Pipe Lease Agreement (Styrene Monomer and Ethylene) dated 28 December 2022 ("**SM Amendment**"), (hereinafter the Benzene Amendment and SM Amendment are collectively referred to as "**Amendment**", while the Initial Agreement and Amendment are collectively referred to as the "**Agreement**"). Apart from having undergone several amendments, the Agreement has also been transferred from PT Styrimdo Mono Indonesia to the Company due to a merger which has been effective since 1 January 2021. This transfer has been agreed upon by the Company, PT Styrimdo Mono Indonesia and PTRPU in a Novation Agreement dated 30 December 2020, so that since 1 January 2021 the Company has legally become a party to the Agreement.

Based on Benzene Agreement and Benzene Amendment, PTRPU agreed to provide tank, jetty and pipe rental services to the Company so that the Company can unload, store and deliver Benzene according to applicable standards. Meanwhile, based on the SM Agreement and the SM Amendment, PTRPU agreed to provide jetty and pipe leasing services to the Company so that the Company can also deliver Styrene Monomer and unload Ethylene according to applicable standards ("**Transaction**").

The transaction that has been carried out is an Affiliated Transaction as referred to in POJK 42/2020 because there is an affiliation relationship between the Company and PTRPU in terms of ownership and control of the company, as further explained in this Disclosure of Information.

The Affiliate Transaction conducted by the Company has gone through the procedures as stipulated in Article 3 of POJK 42/2020 and has been carried out in accordance with generally accepted business practices.

The Company signed an Amendment dated 28 December 2022 and in accordance with the provision of Article 4 paragraph 1 of POJK 42/2020, this Transaction must be disclosed by the Company to the public no later than 2 (two) working days after the signing of the Amendment is conducted and is obliged to use an Appraiser in determining the fair value of the object of the Affiliate Transaction, in which the fairness of the transaction needs to be announced to the public. The Appraisal Report used is a report from the Public Appraisal Service Office ("**KJPP**") Kusnanto & Partners No. 00201/2.0162-00/BS/04/0382/1/XII/2022 dated 28 December 2022 regarding the Fairness Opinion Report on Transactions ("**Fairness Opinion Report**"). The Asset Appraisal Report and the Fairness Opinion Report provide a fair value for the value of the object of this Transaction and Transaction.

This Affiliate Transaction is not (i) a Conflict of Interest Transaction, (ii) a Material Transaction as referred to in the Financial Services Authority Regulation of the Republic of Indonesia Number 17/POJK.04/2020 on Material Transactions and Changes in Business Activities, and (iii) a transaction that may result in a disruption of business continuity of the Company, so that it does not require prior approval from the Company's independent shareholders at the general meeting of shareholders as regulated in POJK 42/2020.

In conducting this Transaction, the Company will always comply with the provisions of the applicable laws and regulations, including but not limited to regulations in the Capital Market sector, and other laws and regulations including Law of the Republic of Indonesia No. 40 of 2007 on Limited Liability Companies as lastly amended by Law of the Republic of Indonesia No. 11 of 2020 on Job Creation.

## II. INFORMATION REGARDING THE TRANSACTION

### A. Background and Reason of the Transaction

The Company is a company engaged in the integrated petrochemical industry in Indonesia.

In order to support the Company's plant daily operational activities located in Mangunreja Village, Puloampel, Serang, Banten ("**Puloampel Plant**"), the Company requires tank, jetty and pipe facilities around the Puloampel Plant area so that the unloading, storage and delivery of raw materials can be done properly and according to applicable standards. On the other hand, PTRPU, a company engaged in the storage and handling of cargo (loading and unloading of goods) and is located in the vicinity of the Puloampel Plant, can commit to providing tank, jetty, pipe including facilities that are necessary for the Company.

### B. Benefits of Transaction for the Company

PTRPU offers tank, jetty and pipe located near to the Puloampel Plant. The location is very strategic so that it will make it easier for the Company to carry out the process of unloading, storing and shipping raw materials as well as carrying out supervision. In addition, PTRPU is also committed to providing certain tanks exclusively for use by the Company. This is believed to have a positive impact and will provide more value for the shareholders and stakeholders of the Company.

### C. Consideration of Conducting Transactions with PTRPU Compared to Conducting Similar Transactions with Parties which are Not Affiliated with the Company

PTRPU is a company engaged the field of cargo storage and handling (loading and unloading of goods), and has tank, jetty and pipe facilities located in the vicinity of the Puloampel Plant. The location of the PTRPU tank, jetty and pipe which are closest to the Puloampel Plant will greatly facilitate the Company in utilizing the PTRPU tank, jetty and pipe facilities to support its operational activities, especially in unloading, storing and shipping raw materials or materials for production, because it is more efficient and cost-effective.

On the other hand, tank, jetty and pipe lessor that are not affiliated with the Company, however the other unaffiliated tank, jetty and pipe facilities are located farther from the Puloampel Plant compared to PTRPU, so it is less efficient terms of distance, time and cost.

## D. Description of the Transaction

### i. Transaction Date

The Benzene Amendment and the SM Amendment were signed on 28 December 2022.

### ii. Object of Transaction

PTRPU's assets are in the form of tanks, piers and pipes along with their facilities with the following details:

#### a) Benzene Agreement and Benzene Amendment

The Company rents tank, jetty and pipe owned by PTRPU to receive, store and deliver the Company's Benzene raw materials from ships to the connecting point of the Company's pipes in the Puloampel Plant. The 4 (four) tanks leased by PTRPU to the Company are Tank No. 308, Tank No. 309, Tank No. 310 and Tank No. 311.

#### b) SM Agreement and SM Amendment

The Company leases PTRPU's jetty terminal and pipe to (i) deliver the Company's processed products, namely Styrene Monomer from the Company's pipeline connecting point at the Puloampel Plant to the ships docked at PTRPU's jetty; and (ii) to unload Ethylene from ships that dock at the PTRPU's jetty to be sent to the Company's tank.

All objects of this Transaction are located in Mangunreja Village, Puloampel, Serang, Banten Province ("**Terminal**").

### iii. Summary of the Agreement

An agreement for the Transaction was made between the Company and PTRPU, whereby PTRPU agreed to provide a Terminal with the following details:

#### a) Benzene Agreement and Benzene Amendment

Use of the Terminal starts from the dates listed below and is extended based on the Benzene Amendment for the period 1 January 2022 to 31 December 2025 ("**Benzene Amendment Period**"):

Tanks Name (" <b>Designated Tanks</b> ")	Start Date
Tank No. 308 - capacity 6.000KL	3 October 2005
Tank No. 309 - capacity 6.000KL	12 October 2005
Tank No. 310 - capacity 6.000KL	8 December 2005
Tank No. 311 - capacity 6.000KL	17 December 2005

#### b) SM Agreement and Amendment SM

Use of the Terminal commenced on 1 January 2006 and will continue until 31 December 2025 ("**SM Amendment Period**"),

where this Terminal is located in Mangunreja Village, Puloampel, Serang, Banten Province.

### Transaction Price:

#### - Benzene Agreement and Benzene Amendment:

The total cost for tank rental and jetty and pipe rental with an estimated quantity of 24,000 KL for Designated Tanks and 180,000 MT per year respectively during the rental period from 1 January 2022 to 31 December 2025 is Rp.61,995,024,000, excluding Value Added Tax and other transaction costs.

- SM Agreement and Amendment SM  
The total jetty and pipe rental costs for Styrene Monomer and Ethylene with an estimated quantity of 9,000 MT per year and 6,000 MT per year respectively during the lease period from 1 January 2022 to 31 December 2025 is Rp.1,944,540,000, excluding Value Added Tax and other transaction costs.

Agreement Period and Lease Period:

- The Benzene Agreement came into effect from Tank No. 308 was used for the first time on 3 October 2005 until the end of the Benzene Agreement Period on 31 December 2025 as stated in the Benzene Amendment.
- The SM Agreement came into effect from 1 January 2006 until the end of the SM Amendment Period on 31 December 2025.

Obligations of the Parties:

- PTRPU is obliged to:
  - a. ensure that the Terminal can be used according to its function for loading and unloading of oil and chemicals from and to ships.
  - b. ensure that the Terminal can receive, store and deliver the Company's products.
  - c. bear any costs required to change, modify the facilities in the Terminal.
  - d. receive a written request from the Company in the event that there are changes related to Designated Tanks and facilities for products from the Company, in which all costs incurred for these changes will be fully borne by the Company.
  - e. bear the costs incurred related to modifications or changes to facilities at the Terminal, if the initiative for such modifications or changes comes from PTRPU.
  - f. receive payments from the Company in accordance with the terms agreed in the Agreement.
  - g. receive notification from the Company as early as possible regarding the expected arrival at the Terminal for each ship related to the need to unload the product.
  - h. carry out loading and unloading in a safe manner as instructed by the Company.
  - i. regulate the berthing of every Company ship that arrives on a "first come first serve" basis.
  - j. bear the taxes in accordance with the applicable laws and regulations.
  - k. report daily to the Company regarding the shortage or excess of the product quantity in the Designated Tank if it exceeds 0.5% of the initial stock or the beginning of the month plus the total amount received during that month, if any.
  - l. report to the Company regarding the quantity of product shipped from Designated Tanks on each shipment.
  - m. comply with applicable laws and regulations relating to the implementation of the Agreement.
- The Company is obliged to:
  - a. pay the lease price and other fee in accordance with the procedure set forth in this Agreement.
  - b. bear the taxes in accordance with the applicable laws and regulations.

- c. send a written notification to PTRPU in the event that there are changes related to the Designated Tank and facilities for products from the Company, in which the costs incurred for these changes will be entirely borne by the Company.
- d. send notification to PTRPU as early as possible regarding the expected arrival at the Terminal for each ship related to the need to unload the product.
- e. giving instructions to PTRPU regarding safe loading and unloading.
- f. receive reports every day from PTRPU regarding the shortage or excess of the product quantity in the Designated Tank if it exceeds 0.5% of the initial stock or the beginning of the month plus the total amount received during that month, if any.
- g. receive reports from PTRPU regarding the quantity of product shipped from Designated Tanks on each shipment.
- h. at his own expense, appoint and arrange an independent surveyor to take samples and measure the quantity of product to be received into Designated Tanks.
- i. comply with applicable laws and regulations relating to the implementation of the Agreement.

Governing Law:

Laws of the Republic of Indonesia.

Dispute Settlement:

Indonesian National Board of Arbitration/ *Badan Arbitrase Nasional Indonesia* (BANI).

**iv. Transaction Price**

The total transaction value during the rental period is Rp.63,939,564,000 (excluding Value Added Tax and other transaction costs) or equivalent to USD 4,306,275 using the assumption of an exchange rate of Rp.14,848 per USD ("**Total Transaction Value**"), where the Total Transaction Value represents less than 20.00% the Company's equity as of 30 June 2022, so that the Transaction is not a material transaction as stipulated in OJK Regulation No. 17/POJK.04/2020 dated 20 April 2020 concerning "Material Transactions and Changes in Business Activities".

**v. The Parties whose Conducting the Transactions**

1. The Company as the Lessee

a. General Information

The Company was established named PT Tripolyta Indonesia ("**TPI**"), domiciled in West Jakarta based on Deed of Establishment No. 40 dated 2 November 1984 made before Ridwan Suselo, Notary in Jakarta, with status as Domestic Investment Company based on Law no. 6 of 1968 concerning Domestic Investment as has been revoked by Law no. 25 of 2007 concerning Investment. The Deed of Establishment of TPI has been amended by the Deed of Entry and Resignation of the Founding Partners of the Company and the Amendment to the Articles of Association No. 117 dated 7 November 1987 drawn up before John Leonard Waworuntu, Notary in Jakarta, which has been ratified by the Minister of Justice of the Republic of Indonesia, as amended

from time to time and hereinafter referred to as the Minister of Law and Human Rights of the Republic of Indonesia (“**Menkumham**”) in accordance with Decree No. C2.1786.HT.01.01-Th'.88 dated 29 February 1988, recorded in the register at the West Jakarta District Court Office on 30 June 1988 under No. 639/1988 and No. 640/1988, and announced in the State Gazette of the Republic of Indonesia No. 63 dated 5 August 1988, Supplement No. 779.

The Company is the surviving company in the merger process between TPI and PT Chandra Asri based on the Deed of Merger No. 15 dated 9 November 2010, made before Dr. Amrul Partomuan Pohan, SH, LL.M., Notary in Jakarta, where the merger became effective on 1 January 2011. On 15 November 2019, the Shareholders of the Company through the EGMS and shareholders of PT Petrokimia Butadiene Indonesia (“**PBI**”) through Circular Resolution in Lieu of General Meeting of Shareholders No. 004/LGL PBI/SH RES/XI/2019, has approved the proposed merger between the Company and PBI where the Company becomes the surviving company (“**PBI Merger**”). In connection with the PBI Merger, the Company and PBI have also signed the deed of merger as stated in the Deed of Merger No. 76 dated 15 November 2019, made before Jose Dima Satria, S.H., M.Kn., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance of Notification of Company Merger No. AHU-AH.01.10-0010288 dated 22 November 2019 and has been registered in the Company Register at the Ministry of Law and Human Rights of the Republic of Indonesia (“**Kemenkumham**”) under No. AHU-0025871.AH.01.02.Tahun 2019 dated 22 November 2019. The merger has been effective on 1 January 2020.

Furthermore, on 7 December 2020, the Shareholders of the Company through the EGMS and the shareholders of PT Styrimdo Mono Indonesia (“**SMI**”) through Circular Resolutions in Lieu of the General Meeting of Shareholders No. 004/LGL SMI/SH RES/XII/2020, has approved the proposed merger between the Company and SMI in which the Company becomes the surviving company (“**SMI Merger**”). In connection with the SMI Merger, the Company and SMI have also signed the deed of merger as stated in the Deed of Merger No. 48 dated 7 December 2020, made before Jose Dima Satria, S.H., M.Kn., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance of Notification of Company Merger No. AHU-AH.01.10-0012537 dated 11 December 2020 and has been registered in the Company Register at the Ministry of Law and Human Rights under No. AHU-0082566.AH.01.02.TAHUN 2020 dated 11 December 2020. The merger has become effective on 1 January 2021.

The latest amendments to the Company's articles of association and composition of the Board of Directors and the Board of Directors are as contained in the Deed of Statement of Resolutions of the Amendment to the Articles of Association No. 35 dated 5 August 2022, made before Muhammad Muazzir, SH., M.Kn., as a substitute for Jose Dima Satria, S.H., M.Kn., Notary in South Jakarta, which has obtained an approval from the Ministry of Law and Human Rights based Letter of Acceptance of Notification of Changes in Company Data No. AHU-AH.01.09-0041219 and Acceptance of Notification of

Amendments to the Articles of Association No. AHU-AH.01.03-0275914, both are dated 5 August 2022 and has been registered in the Company Register at the Ministry of Law and Human Rights under No. AHU-0153010.AH.01.11.TAHUN 2022 dated 5 August 2022.

The Company has 2 (two) plants located on Jl. Raya Anyer Km. 123, Ciwandan, Cilegon, Banten 42447 and in Desa Mangunreja, Pulo Ampel District, Kabupaten Serang, Banten 42456.

b. Line of Business

Based on Article 3 of Company's articles of association, the purpose and objective of Company is to engage in manufacturing, wholesale trade, as well as management consultancy activities. To achieve these purpose and objectives, the Company may carry out business activities, including the following:

- A. Primary business activities carried out to realize the main business are as follows:
  - i. to conduct business in the field of organic base chemical industry which sourced from petroleum, natural gas and coal;
  - ii. to conduct business in manufacturing of artificial resin and plastic raw material (pure plastic ore);
  - iii. to conduct wholesale of solid, liquid and gas fuels and the relevant products thereto;
  - iv. to conduct wholesale of basic chemical materials and goods;
  - v. to conduct wholesale of rubber and plastic in the basic form; and
  - vi. to conduct other management consultancy activities.
- B. Supporting business activities that support the abovementioned primary business activities above are as follows:
  - i. to organize transportation through motorized transportation for general goods and special goods as well as transportation through pipeline to ensure the continuity of delivery of industrial products to the consumers;
  - ii. to conduct activities of loading-unloading as well as unloading-loading of ships;
  - iii. self-owned or leased real estate that includes business to provide service to the other parties utilizing the assets owned by the Company in the industry sector, including land lease service, maintenance service and other services related to the petrochemical industry;
  - iv. to conduct temporary warehousing and storage activities related to the petrochemical industry production prior to its delivery to the final destination for commercial purposes;
  - v. to conduct rental and leasing activities without option rights for machinery and industrial equipment; and
  - vi. other business activities in petrochemical industry field that supporting the Company's main business activities in accordance with the prevailing laws and regulation.



c. Management Structure

The latest composition of the Company's Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

President Commissioner*	: Djoko Suyanto
Vice President Commissioner*	: Tan Ek Kia
Commissioner *	: Ho Hon Cheong
Commissioner	: Agus Salim Pangestu
Commissioner	: Lim Chong Thian
Commissioner	: Thammasak Sethaudom
Commissioner	: Tanawong Areeratchakul
Commissioner	: Sakchai Patiparnpreechavud
Commissioner	: Kulachet Dharachandra
Commissioner	: Wirat Uanarumit
Commissioner	: Santi Wasanasiri
Commissioner *	: Surong Bulakul
Commissioner *	: Erry Riyana Hardjapamekas
Commissioner	: Rudy Suparman

Board of Directors

President Director	: Erwin Ciputra
Vice President Director	: Krit Bunnag
Vice President Director	: Baritono Prajogo Pangestu
Director	: Andre Khor Kah Hin
Director	: Prapote Stianpapong
Director	: Fransiskus Ruly Aryawan
Director	: Suryandi
Director	: Pholavit Thiebpattama
Director	: Petch Niyomsen
Director	: Nattapong Tumsaroj
Director	: Suwit Wiwattanawanich
Director	: Phuping Taweearp
Director	: Boedijono Hadipoespito
Director	: Edi Riva'i
Director	: Raymond Budhin

\*) Also acted as Independent Commissioner

d. Capital Structure and Shareholding Composition

The Company's capital structure and shareholding composition on the date of this Disclosure of Information is issued are as follows:

Authorized Capital	: Rp.12,264,785,664,000
Issued Capital	: Rp.4,325,577,254,600
Paid Up Capital	: Rp.4,325,577,254,600

The Company's authorized capital is divided into 86.511.545.092 shares, each with par value of Rp.50 per share.

Meanwhile, the composition of Company's shareholding based on the Company's Shareholder Register dated 30 November 2022 is as follows:

No.	SHAREHOLDERS NAME	TOTAL (Rp)	TOTAL OF SHARES	%
1.	PT Barito Pacific Tbk	1,497,883,520,000	29,957,670,400	34.63
2.	SCG Chemicals Company Limited	1,322,330,946,200	26,446,618,924	30.57
3.	Prajogo Pangestu	336,590,108,200	6,731,802,164	7.78
4.	PT Top Investment Indonesia	648,836,588,000	12,976,731,760	15.00
5.	Public	519,936,092,200	10,398,721,844	12.02
<b>Total</b>		<b>4,325,577,254,600</b>	<b>86,511,545,092</b>	<b>100.00</b>

2. PTRPU as the Lessee  
a. General Information

PTRPU is a limited liability company whose articles of association are contained in the Deed of Establishment No. 96 dated 29 November 1980 made before Raden Sudibio Djojopranoto, S.H., Notary in Jakarta, amended by deed No. 37 dated 13 October 1982 and deed no. 7 dated 6 January 1983 which were both drawn up before Liliani Handajawati Tamzil, SH, Notary in Jakarta and ratified by the Menkumham in accordance with Decree No. C2-5303HT01.01TH83 dated August 10, 1983.

The PTRPU office is located at Cyber 2 Tower Lt. 30F, Jalan HR Rasuna Said No. 13, Block X-5, East Kuningan, Setiabudi, South Jakarta.

b. Line of Business

PTRPU is engaged in warehousing and storage, cargo handling (loading and unloading of goods).

c. Management Structure

The latest composition of the Board of Commissioners and Board of Directors of PTRPU is as follows:

Board of Commissioners

President Commissioner : Krit Bunnag  
Commissioner : Ir. Sukarman

Board of Directors

President Directors : Hadi Fernandes  
Director : Muntalip Santoso  
Director : Salikim  
Director : Adli Nurtjahja

d. Capital Structure and Shareholding Composition

PTRPU's current capital structure and share ownership are as follows:

Authorized Capital	: Rp.12,000,000,000
Paid Up Capital	: Rp.9,226,000,000
Issued Capital	: Rp.9,226,000,000

PTRPU authorized capital is divided into 18,452 shares, each with par value of Rp.500,000 per share.

Meanwhile, the composition of PTRPU's share ownership is as follows:

No.	SHAREHOLDERS NAME	TOTAL (Rp)	TOTAL OF SHARES	%
1.	PT Chandra Asri Petrochemical Tbk	4.682.000.000	9.364	50.75
2.	PT Salim Chemicals Corpora	3.044.500.000	6.089	33
3.	Leisureativity Pte. Ltd.	1.499.500.000	2.999	16.25
<b>Total</b>		<b>9.226.000.000</b>	<b>18.452</b>	<b>100</b>

vi. **Nature of Affiliate Relationship of the Parties whose Conducting Transactions**

1. Affiliate relationship in terms of company ownership and control:

The relationship between the Company and PTRPU was formed because PTRPU is a subsidiary of the Company whose 50.75% shares are owned by the Company.

2. Affiliate relationship in terms of company management:

Krit Bunnag who is the Vice President Director in the Company, also serves as the President Commissioner in PTRPU.

### III. SUMMARY OF VALUATION REPORT

#### Summary of KJPP Kusnanto & Partners Fairness Opinion Report ("KR")

KR as an official appraiser (based on the Decree of the Minister of Finance No. 2.19.0162 dated 15 July 2019 and registered as a capital market supporting professional services office at the Financial Services Authority ("OJK") with a Capital Market Supporting Professional Registration Certificate from the OJK No. STTD.PB-02/PM.22/2018 (business appraiser), has been appointed by the Company's management as an independent appraiser for the fairness of the Transaction in accordance with the offer letter No. KR/221118-002 dated 18 November 2022, which have been approved by the Company's management.

The following is a summary of KR's Fairness Opinion Report on the Transaction as stated in report No. 00201/2.0162-00/BS/04/0382/1/XII/2022 dated 28 December 2022, with a summary as follows:

a. Parties involved in the Transaction

The parties involved in the Transaction are the Company and PTRPU.

b. Object of Fairness Opinion Transaction

The objects of the transaction in the fairness opinion are as follows:

- Transaction whereby the Company has agreed to lease tank, jetty and pipe for benzene products, with a tank rental fee of 24,000 KL for Designated Tanks and 180,000 MT per year, respectively with a rental period from 1 January 2022 to 31 December 2025 or with a total rental fee of Rp.61,995,024,000.
- Transactions whereby the Company has agreed to lease the jetty and pipe terminal for styrene monomer products and jetty terminal and pipe for ethylene products, with an estimated quantity of 9,000 MT per year and 6,000 MT per year, respectively, of styrene monomer and ethylene respectively with a rental period from 1 January 2022 to 31 December 2025 or with a total rental fee of Rp.1,944,540,000.

c. The Purpose and Objectives of the Fairness Opinion

Purpose and objective of the preparation of the fairness opinion on the Transaction is to provide an overview on the fairness of the Transaction to the Company's Board of Directors from financial aspects and to comply with the applicable regulations, i.e. POJK 42/2020.

This fairness opinion is prepared by complying with the provisions of OJK Regulation of the Republic of Indonesia No. 35/POJK.04/2020 concerning Assessment and Presentation of Business Valuation Reports in the Capital Market dated 25 May 2020 and Indonesian Valuation Standards 2018.

d. Limiting Conditions and Main Assumptions

The fairness opinion analysis on the Transaction was prepared using the data and information as disclosed above, such data and information of which KR have reviewed. In performing the analysis, KR relied on the accuracy, reliability and completeness of all financial information, information on the legal status of the Company and other information provided to us by the Company or publicly available and KR is not responsible for the accuracy of such information. Any changes to the data and information may materially influence the outcome of KR's opinion. KR also relied on assurances from the management of the Company that they did not know the facts which led to the information given to us to be incomplete or misleading. Therefore, KR is not responsible for the changes in the conclusions of KR's Fairness Opinion caused by changes in those data and information.

The Company's financial projections before and after the Transaction was prepared by the Company's management. KR have reviewed such financial projections and those financial projections have described the operating conditions and performance of the Company. Overall, there were not any significant adjustments to be made to the performance targets of the Company.

KR did not perform an inspection of the Company's fixed assets or facilities. In addition, KR also did not give an opinion on the tax impact of the Transaction. The service KR provided to the Company in connection with the Transaction merely was the provision of the Fairness Opinion on the Transaction, not accounting services, auditing or taxation. KR did not conduct research on the validity of the Transaction from legal aspects and implication of taxation aspects. The Fairness Opinion on the Transaction was only performed from economic and financial aspects. The fairness opinion report on the Transaction represented a non-disclaimer opinion and was an open-for-public report unless there was confidential information on such report, which might affect the Company's operations. Furthermore, KR have also obtained the information on the legal status of the Company based on the articles of association of the Company.

KR's work related to the Transaction was not and could not be interpreted in any form, a review or an audit or an implementation of certain procedures of financial information. The work was also not intended to reveal weaknesses in internal control, errors or irregularities in the financial statements or violation of law. In addition, KR did not have the authority and was not in a position to obtain and analyze a form of other transactions that existed and might be available to the Company other than the Transaction and the effect of these transactions to the Transaction.

This fairness opinion was prepared based on the market and economic conditions, general business and financial conditions as well as government regulations related to the Transaction on the issuance date of this fairness opinion.

In preparing the fairness opinion, KR applied several assumptions, such as the fulfillment of all conditions and obligations of the Company as well as all parties involved in the Transaction. The Transaction would be executed as described accordingly to a predetermined time period and the accuracy of the information regarding the Transaction which was disclosed by the Company's management.

The fairness opinion should be viewed as a whole and the use of partial analysis and information without considering other information and analysis as a whole may cause a misleading view and conclusion on the process underlying the fairness opinion. The preparation of the fairness opinion was a complicated process and might not be possible to perform through incomplete analysis.

KR also assumed that from the issuance date of the fairness opinion until the execution date of the Transaction, there were no changes that could materially affect the assumptions used in the preparation of the fairness opinion. KR is not responsible to reaffirm or to supplement or to update KR's opinion due to the changes in the assumptions and conditions as well as events occurring after the letter date. The calculation and analysis in the fairness opinion have been performed properly and KR is responsible for the Fairness Opinion Report.

The conclusion of the fairness opinion is applicable when there is no changes that might materially impact on the Transaction. Such changes include, but not limited to, the changes in conditions both internally on the Company and externally on the market and economic conditions, general conditions of business, trading and financial as well as government regulations of Indonesia and other relevant regulations after the issuance date of the Fairness Opinion Report. Whenever after the issuance date of the Fairness Opinion Report such changes occur, the fairness opinion on the Transaction might be different.

The fairness opinion analysis on this Transaction was carried out under uncertain conditions, including, but not limited to the high level of uncertainty due to the Covid-19 pandemic. The principle of prudence is required in the use of the Fairness Opinion Report, especially regarding changes that occur from the date of the assessment to the date of use of the Fairness Opinion Report. Changes in assumptions and conditions as well as events that occur after the date of this report will materially affect the conclusion of the fairness opinion.

e. Approach and Procedure for Fairness Opinion on Transactions

In evaluating the Fairness opinion on the Transaction, KR had performed analysis through the approaches and procedures of the fairness opinion on the Transaction as follows:

- I. Analysis of the Transaction;
- II. Qualitative and quantitative analysis of the Transaction; and
- III. Analysis of the fairness on the Transaction.

f. Conclusion

Based on the scope of works, assumptions, data, and information acquired from the Company's management which was used in the preparation of this fairness opinion report, a review of the financial impact on the Transaction as disclosed in the Fairness Opinion Report, therefore in KR's opinion, the Transaction is **fair**.

#### IV. STATEMENT

The Company's Board of Directors states that this Transaction has gone through adequate procedures and ensures that the Transaction is conducted in accordance with generally accepted business practices, namely a procedure that compares the terms and conditions of transactions that are equivalent to transactions between parties who have no affiliation and are carried out in compliance with the fair transaction (arm's-length principle).

The Company's Board of Commissioners and Board of Directors declare that all material information or facts contained in the Information Disclosure in connection with the Transaction have been disclosed and the information does not contain false or misleading information or facts. Transactions in this Disclosure of Information do not contain a Conflict of Interest as referred to in POJK 42/2020.

## V. ADDITIONAL INFORMATION

For further information regarding the above matters, please contact the Company during business hours at the address:

**Head Office**

Wisma Barito Pacific Tower A, 7<sup>th</sup> Floor  
Jl. Let. Jend. S. Parman Kav-62-63, Jakarta 11410  
Telp: (62-21) 530 7950  
Fax: (62-21) 530 8930  
E-mail: [corporatesecretary@capcx.com](mailto:corporatesecretary@capcx.com)  
Attention to: Corporate Secretary

Thus the Disclosure of Information that we can convey. We thank you for your attention and cooperation.

Yours faithfully,

**PT Chandra Asri Petrochemical Tbk**

[signed]

**Edi Riva'i**  
Director

[signed]

**Suryandi**  
Director