

# **Chandra Asri Secures Investment of Up To USD1.7 billion for Second World-Scale Integrated Petrochemical Complex in Indonesia**

**Jakarta, 30 July 2021** – PT Chandra Asri Petrochemical Tbk (CAP), Indonesia’s largest integrated petrochemical company, has selected Thai Oil Public Company Limited (Thaioil), the flagship refiner of PTT Public Company Limited (PTT), as its chosen Strategic Investor after a robust selection process. CAP and Thaioil have signed definitive agreements to proceed with a capital increase in CAP via a Pre-Emptive Rights Issue, to be filed with the Financial Services Authority of Indonesia (OJK). The investment in CAP will be made via Thaioil’s designated subsidiary that will act as the standby buyer to underwrite a successful transaction.

CAP’s major shareholders, Barito Pacific and SCG Chemicals Co., Ltd. (SCG Chemicals), fully support this corporate action to inject equity into CAP. The net proceeds raised will be used for the development and construction of CAP’s second world-scale integrated petrochemical complex by its subsidiary, PT Chandra Asri Perkasa (CAP 2) which will comprise, among others, of a cracker unit, polymerized olefins and related facilities and utilities. This is in line with the CAP’s strategy to expand its production capacity and business scale to serve the needs of the Indonesian market.

The total estimated investment from Thaioil obtaining a 15% shareholding stake in CAP after the rights issue, and SCG Chemicals retaining approximately 30.57% of its shareholding stake in CAP, is up to USD1.3 billion. The transaction is still subject to requisite regulatory approvals, including from the OJK and is expected to complete no later than 30 September 2021. It will be one of the largest rights issue ever done on the Indonesia Stock Exchange (IDX).

Subject to a successful Final Investment Decision (FID) on CAP 2 targeted for 2022, Thaioil and SCG Chemicals may further collectively invest up to USD0.4 billion. The methods of the subsequent investment will be determined by the parties at a later stage and remain subject to the approval of CAP shareholders and relevant governmental authorities in the Republic of Indonesia.

**Erwin Ciputra**, President Director and Chief Executive Officer of Chandra Asri, says: “This is an exceptional moment for Chandra Asri. The proceeds from the rights issue will significantly boost our plans to develop our second petrochemical complex, as we gather pace and accelerate towards taking FID in 2022. It is part of our core strategy of delivering transformational growth to serve Indonesia’s needs, supporting the expansion of our customers, and developing the domestic petrochemical industry: all fully in line with President Jokowi and the government’s imperative call to promote self-reliance and import substitution. We

are pleased to have Thairoil, Thailand's largest refinery on board as our growth partner, which enhances the security of our feedstock supply and cements our position as Indonesia's leading and preferred petrochemical company."

**Agus Salim Pangestu**, President Director and Chief Executive Officer of PT Barito Pacific Tbk, says: "The Barito Group fundamentally believes in growing through partnership. I am delighted to have Thairoil on board as another cornerstone investor in Chandra Asri, after a broad and comprehensive Strategic Investor selection process. We are excited about working together to make CAP 2 a reality, to create impact beyond returns that builds long-term sustainable value for people and communities, in and beyond Indonesia. This cooperation creates an extraordinary opportunity and environment to realize this vision, and we look forward to the next phase of the journey together."

**Wirat Uanarumit**, President and Chief Executive Officer of Thairoil, says: "This is a significant step for Thairoil and a strategic move for us to further extend our value chain into the olefins petrochemical business. I am delighted that we can conclude this partnership with CAP, a premier petrochemical producer in an attractive market like Indonesia, and to assist CAP in their next stage of growth with the development and construction of CAP 2. The partnership will also be synergistic with commercial collaborations between CAP and Thairoil where we can supply naphtha from our USD4.8 billion Clean Fuel Project (CFP), which is scheduled to be completed in 2023, to CAP and thereby enhance feedstock security for CAP in the process. I believe this partnership will prosper and will be mutually beneficial to both CAP and Thairoil. We look forward to working closely with CAP to jointly grow the business sustainably and profitably into the future."

**Tanawong Areeratchakul**, President of SCG Chemicals, says: "SCG Chemicals welcomes Thairoil as a new strategic investor and feedstock partner. We fully support CAP and are pleased to co-invest in the development and construction of CAP2. SCG Chemical's decade-long partnership and successful collaboration with CAP demonstrate our commitment to Indonesia's growth. Our investment in CAP2 reaffirms our commitment to Indonesia's long-term prosperity. We look forward to working collaboratively with CAP, Barito and Thairoil towards a successful completion of CAP2."

The transaction provides opportunities for additional commercial partnership and growth. CAP has entered into a feedstock sales and purchase agreement with Thairoil for the supply of naphtha and liquefied petroleum gas to CAP and CAP 2, and a product distribution agreement, all on arm's length commercial terms.

Investment in CAP 2 is projected to be around USD 5 billion. Construction is expected to take 4 to 5 years, creating 25,000 jobs over the period. It will double the Company's production capacity from the current 4.2 million tons a year to more than 8 million tons a year. This will help fulfill Indonesia's growing domestic

demand, reduce import dependency, develop the country's local downstream petrochemical industry, support the government's vision for Industry 4.0, and create high-value long-term careers.

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### **About Chandra Asri**

Chandra Asri is Indonesia's largest integrated petrochemical company producing olefins and polyolefins. With a history of over 29 years and over 2000 dedicated staff, the company incorporates state-of-the-art technologies and supporting facilities located strategically in the country's petrochemical hub, Cilegon and Serang. As a Growth Partner, Chandra Asri is committed to creating high-value jobs, expanding the domestic petrochemical value chain, and serving the needs of the vibrant and growing Indonesian market. For more information, visit: [www.chandra-asri.com](http://www.chandra-asri.com).

### **About Barito Pacific**

Barito Pacific is an integrated energy company based in Indonesia with multiple power and industrial assets. Through Star Energy, Barito Pacific operates the largest geothermal company in Indonesia, which is also the third largest geothermal company in the world. Along with Indonesia Power, a wholly owned subsidiary of Perusahaan Listrik Negara, the national electricity company, Barito Pacific is developing Java 9 & 10, a 2 x 1,000MW ultra super-critical class power plant with enhanced efficiencies and environmental performances. Barito Pacific also owns a controlling share and consolidates PT Chandra Asri Petrochemical Tbk, Indonesia's largest and only integrated petrochemical company. For more information please visit: <https://www.barito-pacific.com>.

### **About Thairoil**

Thairoil is Thailand's largest refinery and supplier of petroleum products. The company was founded in 1961 and is recognized as one of the most efficient refineries in Asia Pacific. Thairoil operates under the Operational Excellence principle, operating as an integrated group of businesses in oil refinery, petrochemicals and lube base oil with supporting businesses, e.g. power generation, solvents, logistics and renewable energy generation, LAB: an intermediate in the production of surfactants, marine and pipeline transportation and storage services of crude, petroleum and petrochemical products, as well as recruitment services for Thairoil and subsidiaries. Thairoil leads the Thai refinery industry through a well-planned and integrated production process, yielding optimum efficiency. Our products are of high quality, rated in the top quartile of refineries in Asia Pacific, at lower production costs – giving Thairoil a recognized competitive advantage. For more information, visit [www.thaioilgroup.com](http://www.thaioilgroup.com).

**About SCG Chemicals**

SCG Chemicals is one of the largest integrated petrochemical companies in Thailand and a key industry leader in Asia, offering a full range of petrochemical products ranging from upstream production of olefins to downstream production of 3 main plastics resins: polyethylene, polypropylene, and polyvinyl chloride. SCG Chemicals is committed to conducting its business in line with strong Environmental, Social and Governance (ESG) values and achieving Sustainable Development Goals (SDGs) by developing new technology and innovation to create high value-added products (HVA) and holistic service solutions, in areas such as circular economy, medical & healthcare, electric vehicle (EV). This is to better meet diverse demands and underpin sustainable environmental stewardship. For more information, please visit [www.scgchemicals.com](http://www.scgchemicals.com)

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