

# 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

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**Subject:** Disclosure of Information on Affiliate Transaction related to the Warehouse Lease Transaction between the Company and PT Panca Puri Perkasa

*This Disclosure of Information is published in Jakarta on 29 March 2022*

## I. BACKGROUND

On 4 May 2020, the Company and PT Panca Puri Perkasa (“**PPP**”) have signed a Warehouse Lease Agreement (“**Existing Agreement**”), as lastly amended by the Amendment to Warehouse Lease Agreement dated 25 March 2022 (“**Amendment**”) (hereinafter the Existing Agreement and Amendment collectively shall referred to as “**Agreement**”), whereby PPP agrees to provide storage/ warehouse including its facility to the Company to store raw materials and production goods of the Company with an area of 18,360sqm located in Kawasan Industri Krakatau I (KIK I), Jalan Asia Raya, Kelurahan Kotasari, Kecamatan Gerogol, Cilegon City, Banten Province (“**Transaction**”).

The transaction that has been conducted is an Affiliate Transaction as referred to in POJK 42/2020 due to the affiliation relationship between the Company and PPP in terms of ownership and control of the company, as explained further 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 25 March 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. 00063/2.0162-00/BS/04/0382/1/III/2022 dated 25 March 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 and PPP 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 its daily operation activity, the Company requires storage/ warehouse including its facilities around the area of the Company's petrochemical plant complex so that the Company can store its production goods before they are sent to its customers. On the other hand, PPP is a company engaged in the real estate sector, which is committed to providing storage/ warehouses including facilities that are necessary for the Company.

## **B. Benefits of Transaction for the Company**

PPP offers storage/ warehouse including its facility located near to the petrochemical complex owned by the Company. The location is very strategic so that it will make it easier for the Company to support the storage of its products and carry out supervision. 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 PPI Compared to Conducting Similar Transactions With Parties which are Not Affiliated with the Company**

PPP is a company engaged in real estate and owned a warehouse that is located around the Company's petrochemical complex. The location of PPP's warehouse that is near to the Company's petrochemical complex will greatly facilitate the Company in utilizing PPP's warehouse to support its operational activities, especially in the storage of its products, because it is more efficient and cost-effective.

On the other hand, there are other storage warehouses that are not affiliated with the Company, however the other unaffiliated storage warehouses cannot adjust the storage/warehouse including its facilities to the needs of the Company which may impacted on the quality decrease to the product of the Company.

## **D. Description of the Transaction**

### **i. Transaction Date**

The Company and PPP signed an Existing Agreement on 4 May 2020 and amend the Existing Agreement on 25 March 2022.

### **ii. Object of Transaction**

PPP's asset in the form of storage/ warehouse including its facilities with an area of:

- 25,704 sqm from 1 December 2020 to 31 March 2022;
- 18,360 sqm from 1 April 2022 to 31 March 2026; and
- 25,704 sqm from 1 April 2026 to 30 November 2030;

whereby the object of this Transaction is located at Kawasan Industri Krakatau I (KIK I), Jalan Asia Raya, Kelurahan Kotasari, Kecamatan Gerogol, Cilegon City, Banten Province ("**Warehouse**").

### **iii. Summary of the Agreement**

The Agreement for the Transaction was made between the Company and PPP, whereby PPP agreed to provide a Warehouse with an area of:

- 25,704 sqm from 1 December 2020 to 31 March 2022;
- 18,360 sqm from 1 April 2022 to 31 March 2026; and
- 25,704 sqm from 1 April 2026 to 30 November 2030;

whereby the Warehouse is located at Kawasan Industri Krakatau I (KIK I), Jalan Asia Raya, Kelurahan Kotasari, Kecamatan Gerogol, Cilegon City, Banten Province.

#### Transaction Price:

There is an increase rental fees of 10% in every 2 years, therefore the total Transaction price during the lease period is Rp. 272,242,781,218.-, excluding Value Added Tax or other transaction fees.

Period of the Agreement:

The Agreement is effective as of the signing of the Existing Agreement, which is 4 May 2020 and will remain in effect until the termination date of lease period on 30 November 2030.

Lease Period:

The Warehouse is leased by the Company for 10 years starting from 1 December 2020 until 30 November 2030.

Obligations of the Parties:

- PPI is obliged to:
  - a. ensure that the Warehouse must be ready for use by the Company.
  - b. insure the Warehouse and its structure at all times during the lease period with the full insurance value for damage, loss or loss due to fire, earthquake, including riots and other risks commonly insured against the Warehouse building and pay a premium for the insurance.
  - c. repair and/or maintain public facilities including walls, floors, ceilings, parking areas, interiors and other facilities, including windows, electrical installations, cables, lightings, installation of fire suppression facilities, including repairing the leak in the roof of the Warehouse and the supporting infrastructure and facilities outside the Warehouse building from time to time, unless such damage caused by the Company's negligence.
  - d. deposit payment of bills of electricity and water usage from the Company to the relevant agencies.
  - e. pay all contribution fees in the Kawasan Industri Krakatau I (KIK I).
  - f. pay Land and Building Tax (PBB) and other taxes associated with the Warehouse on time.
  - g. managing and completing all permits for the construction, designation, and operation of the Warehouse (including its extension) from the relevant government agencies for the Warehouse's operations.
  - h. provide the electric power and back-up electricity and its fuel.
  - i. obtain prior written consent from the Company if PPP wishes to carry out renovations or repairs to the Warehouse which may result in the inability to use some or all of the Warehouse facilities, as well as other matters which may interfere the business of Company.
  
- The Company is obliged to:
  - a. pay the lease price and other fee in accordance with the procedure set forth in this Agreement.
  - b. use the Warehouse in accordance with its purpose and in accordance with the prevailing laws and regulations in Indonesia.
  - c. not causing defects or structural damage to the Warehouse and keeping the Warehouse in a well maintained and rentable condition.
  - d. ask prior written approval from PPP, to renovate the Warehouse without affecting or jeopardizing the structural of the Warehouse.

- e. permit PPP and/ or its official representative to enter the Warehouse at a reasonable time to check the condition of the Warehouse.
- f. obey the applicable laws and regulations relating to the Company's business activities.
- g. obtain all and any operational licenses needed to carry out its business activities in the Warehouse and therefore release PPP from all and any consequences that may arise in connection with not having the permit.

Governing Law:

Laws of the Republic of Indonesia.

Dispute Settlement:

Indonesian National Board of Arbitration (*Badan Arbitrase Nasional Indonesia*) located at Wahana Graha 1<sup>st</sup> & 2<sup>nd</sup> Floors, Jl. Mampang Prapatan No. 2, Jakarta 12760.

**iv. Transaction Price**

There is an increase of rental fees of 10% in every 2 years, therefore the total Transaction price during the lease period is Rp. 272,242,781,218.-, excluding Value Added Tax or other transaction fees ("**Total Transaction Price**").

**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 are as contained in the Deed of Statement of Resolutions of the Amendment to the Articles of Association No. 35 dated 8 November 2021, made before 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 on Approval Letter No. AHU-AH.01.03-0472234 dated 11 November 2021 and has been registered in the Company Register at the Ministry of Law and Human Rights under No. AHU-0198073.AH.01.11.Tahun 2021 November 11, 2021 .

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 : Chatri Eamsobhana  
 Vice President Director : Baritono Prajogo Pangestu  
 Director : Andre Khor Kah Hin  
 Director : Somkoun Sriwattagaphong  
 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

\*) 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.3,566,704,052,000.-  
 Paid Up Capital : Rp.3,566,704,052,000.-

The Company's authorized capital is divided into 61,323,928,320 shares, each with par value of Rp 200.- per share.

Meanwhile, the composition of Company's shareholding based on the Company's Shareholder Register dated 28 February 2022 is as follows:

No.	SHAREHOLDERS NAME	TOTAL (Rp)	TOTAL OF SHARES	%
1.	PT Barito Pacific Tbk	1,497,883,520,000	7,489,417,600	34.63
2.	SCG Chemicals Company Limited	1,322,330,946,200	6,611,654,731	30.57
3.	Prajogo Pangestu	336,590,108,200	1,682,950,541	7.78
4.	PT Top Investment Indonesia	648,836,588,000	3,244,182,940	15.00
5.	Public	519,936,092,200	2,599,680,461	12.02
<b>Total</b>		<b>4,325,577,254,600</b>	<b>21,627,886,273</b>	<b>100.00</b>

2. PPP as the Lessee

a. General Information

PPP is a limited liability company whose articles of association are contained in the Deed of Establishment No. 23 dated 8 November 2017 made before



Nanny Wiana Setiawan, S.H., Notary in Jakarta and has been ratified by the Menkumham in accordance with Decree No. AHU-0051605.AH.01.01.TAHUN 2017 dated 15 November 2017.

The PPP office is located at Wisma Barito Pacific M Floor, Jl. Let. Jend. S. Parman Kav. 62-63, Slipi, Palmerah, West Jakarta.

b. Line of Business

PPI is engaged in real estate which is owned or leased.

c. Management Structure

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

Board of Commissioners

President Commissioner : Loeki Sundjaja Putra  
Commissioner : Baritono Prajogo Pangestu

Board of Directors

President Directors : Leo Muljadi  
Director : Abraham Sinatrawan

d. Capital Structure and Shareholding Composition

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

Authorized Capital : Rp 100,000,000,000.-  
Paid Up Capital : Rp 25,000,000,000.-  
Issued Capital : Rp 25,000,000,000.-

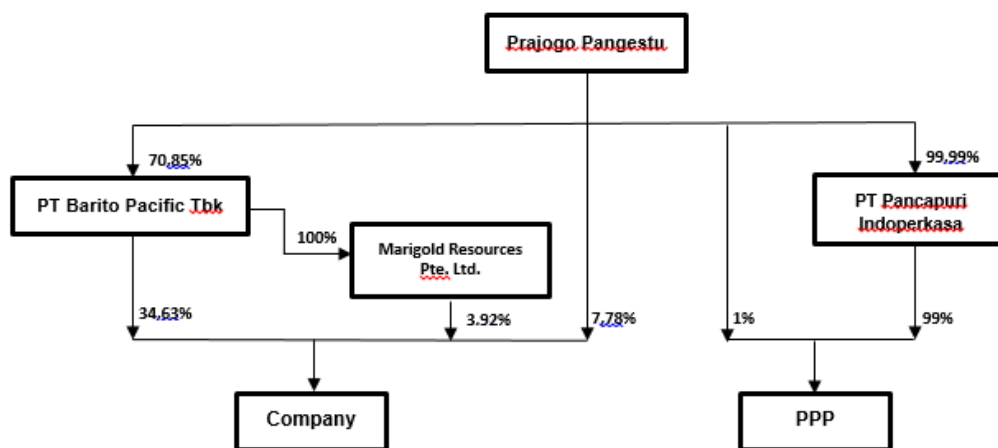
PPI authorized capital is divided into 100,000 shares, each with par value of Rp.1,000,000.- per share.

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

No.	SHAREHOLDERS NAME	TOTAL (Rp)	TOTAL OF SHARES	%
1.	PT Pancapuri Indoperkasa	24,750,000,000.00	24,750	99
2.	Prajogo Pangestu	250,000,000.00	250	1
<b>Total</b>		<b>20,000,000,000.00</b>	<b>20,000</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<sup>1</sup>:



The relationship between the Company and PPP is formed because Prajogo Pangestu who is the controller of the Company directly or indirectly through PT Barito Pacific Tbk and Marigold Resources Pte. Ltd., also a shareholder in PPP, directly or indirectly.

2. Affiliate relationship in terms of company management:

Baritono Prajogo Pangestu who is the Vice President Director in the Company, also serves as the Commissioner in PPP.

### III. SUMMARY OF VALUATION REPORT

#### Summary of KJPP Kusananto & 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. 1702-001 dated 2 July 2021 and addendum to the offer letter No. KR/220127-001 dated 27 January 2022, all of 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. 00063/2.0162-00/BS/04/0382/1/III/2022 dated 25 March 2022, with a summary as follows:

<sup>1</sup> According to Shareholder Register as of 28 February 2022

a. Parties involved in the Transaction

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

b. Object of Fairness Opinion Transaction

The object of the transaction in the fairness opinion is a Transaction in which the Company intends to rent Warehouse with an area of 25,704 sqm from 1 December 2020 to 31 March 2022, an area of 18,360 sqm from 1 April 2022 until 31 March 2026, and an area of 25,704 sqm since 1 April 2026 until 30 November 2030, with a period of 10 years from 1 December 2020 where there will be an increase of rental fee of 10.00% in every 2 years during the rental period therefore the total rental fee is an amount of Rp Rp.272.242.781.218,-.

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]

**Andre Khor Kah Hin**  
Director

[signed]

**Suryandi**  
Director