

About CAP:

CAP, a subsidiary of PT Barito Pacific Tbk, is Indonesia's largest integrated petrochemical company producing olefins and polyolefins. CAP's state-of-the-art facility and infrastructure are located in Cilegon and Serang, in Banten province on Java. CAP operates the country's only naphtha cracker, and is the sole producer of ethylene, styrene monomer and butadiene in Indonesia. In addition, CAP is also the largest polypropylene producer in Indonesia, producing raw materials and base petrochemical products used for packaging products, pipes, automotive, electronics, and consumer goods in support of Indonesia's growth and industrialization ambitions.

For more information, please contact:

**Suryandi, HR & Corp. Affairs Director
– Corporate Secretary**
suryandi@capcx.com

Investor Relations
investor-relations@capcx.com

www.chandra-asri.com

NEWS RELEASE

Jakarta, 29 May 2019



CHANDRA ASRI PETROCHEMICAL ANNOUNCES RESULTS FOR THE PERIOD ENDED MARCH 31, 2019

PT Chandra Asri Petrochemical Tbk (IDX: TPIA) recorded Net Revenues of US\$552.2 million, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of US\$66.1 million, and Net Profit after Tax of US\$17.6 million for the first 3 months of 2019.

The Company's Director, Suryandi, commented:

"Chandra Asri has made a strong start in 2019 within the context of broader industry challenges. We recorded 26 million work hours with no Lost Time Accident, a new safety record. Our new 400KTA Polyethylene plant is on track for a start up later this year, together with the debottlenecking of our Polypropylene plant to further enhance our economies of scale. Demand for our products to fulfil the structurally short Indonesian domestic market remains robust.

Despite challenging market conditions that have compressed average selling prices for our products, we continue to generate double-digit EBITDA margins of 12%. Petrochemical margins are stabilizing after experiencing significant volatility in Quarter 4 2018. We maintain a very strong Balance Sheet with Net Debt to EBITDA at 0.5X, and very good liquidity with US\$547.8 million in cash and cash equivalents.

Whilst global macroeconomic uncertainties persist due to lingering fears over the sustained China-US trade war, we remain focused on delivering capacity growth, sustaining financial flexibility throughout the cycle, and maintaining operational excellence over the remaining period of 2019."

3M 2019 FINANCIAL HIGHLIGHTS:

- Net Revenues decreased by 20.6% to US\$552.2 million from US\$695.3 million in 3M2018 as a result of lower average sales prices for Olefins, Polyolefins, and Styrene Monomer in line with market movements.
- Cost of Revenues decreased by 11.9% to US\$488.5 million from US\$554.4 million in 3M2018 largely due to lower feedstock cost, primarily Naphtha which fell to an average of US\$533/MT from US\$603/MT in 3M2018.
- EBITDA of US\$66.1 million is lower than US\$129.0 million in 3M2018 due to the moderating petrochemical cycle, but still yields a healthy double-digit margin of 12.0%.
- Net Profit After Tax amounted to US\$17.6 million compared to US\$73.6 million in 3M2018, but improved vs US\$7.9 million in Q4-2018.

| US\$ million, unless otherwise stated | 3M2019 | 3M2018 | % change |
|--|---------|---------|-----------|
| Net Revenues | 552.2 | 695.3 | (20.6) |
| Cost of Revenues | 488.5 | 554.4 | (11.9) |
| Gross Profit | 63.7 | 140.9 | (54.8) |
| Net Profit After Tax | 17.6 | 73.6 | (76.1) |
| EBITDA | 66.1 | 129.0 | (48.8) |
| Cash Flows from (used in) Operating Activities | (177.4) | 18.0 | (1,084.2) |
| Capital Investments | 66.6 | 88.0 | (24.3) |
| Earnings per share (US\$) | 0.001 | 0.004 | (76.5) |
| US\$ million, unless otherwise stated | 3M2019 | FY2018 | % change |
| Total Assets | 3,040.8 | 3,173.5 | (4.2) |
| Total Liabilities | 1,253.2 | 1,403.4 | (10.7) |
| Shareholders' Equity | 1,787.6 | 1,770.1 | 1.0 |
| Interest Bearing Debt | 692.5 | 618.2 | 12.0 |
| Cash & Cash Equivalents | 547.8 | 726.7 | (24.6) |
| Net Debt / (Cash) | 144.7 | (108.5) | (233.4) |

Financial Ratios

| | 3M2019 | 3M2018 | % change |
|--------------------------------------|--------|--------|----------|
| Gross Profit Margin (%) | 11.5 | 20.3 | (43.1) |
| EBITDA Margin (%) | 12.0 | 18.6 | (35.5) |
| Interest service coverage (x) | 4.1 | 9.0 | (55.0) |
| Debt to Capitalization (%) | 28.0 | 26.0 | 7.7 |
| Debt to EBITDA (x) - LTM | 2.5 | 1.2 | 107.3 |
| Net Debt/ (Cash) to EBITDA (x) – LTM | 0.5 | (0.3) | N/A |

Business Segments

| In US\$ million | Revenues | | |
|------------------------|--------------|--------------|---------------|
| | 3M2019 | 3M2018 | % change |
| Olefins | 131.6 | 205.8 | (36.0) |
| Polyolefins | 265.5 | 322.4 | (17.6) |
| Styrene Monomer | 96.6 | 121.0 | (20.1) |
| Butadiene | 55.4 | 42.2 | 31.3 |
| Tanks and Jetty Rental | 3.1 | 4.0 | (23.1) |
| Consolidated | 552.2 | 695.3 | (20.6) |

| In US\$ million | Gross Profit | | |
|------------------------|--------------|--------------|---------------|
| | 3M2019 | 3M2018 | % change |
| Olefins | 15.4 | 53.9 | (71.5) |
| Polyolefins | 31.6 | 65.3 | (51.6) |
| Styrene Monomer | 11.1 | 12.8 | (12.9) |
| Butadiene | 3.2 | 5.5 | (42.0) |
| Tanks and Jetty Rental | 2.4 | 3.5 | (30.0) |
| Consolidated | 63.7 | 140.9 | (54.8) |

FINANCIAL PERFORMANCE ANALYSIS

Net Revenues

Net Revenues decreased by US\$143 million, 20.6% lower from US\$695.3 million in 3M2018 to US\$552.2 million in 3M2019, reflecting lower realized average sales prices particularly for Ethylene and Polyethylene; and slightly lower sales volumes by around 3.5% to 553KT in 3M2019 from 573KT in 3M2018. The Cracker operating rate was 94%, whilst the Butadiene and Styrene Monomer plants operated at 83% and 105% respectively.

Cost of Revenues

Cost of Revenues decreased by US\$66 million, 11.9% lower from US\$554.4 million in 3M2018 to US\$488.5 million in 3M2019, mainly due to lower feedstock costs, primarily Naphtha, which declined by some 12% from US\$603/ton to US\$533/ton in 3M2019 on the back of lower Brent crude oil prices by 5% year-on-year.

As a result, Gross Profit was lower by US\$77 million, 54.8% lower than 3M2018.

EBITDA

EBITDA declined by 48.8% to US\$66.1 million from US\$129.0 million in 3M2018 largely due to the lower Gross Profit.

Net Profit After Tax

The Company recorded US\$17.6 million of Net Profit After Tax in 3M2019, 76.1% lower than US\$73.6 million in the same period last year largely due to lower gross profit, higher finance costs and share in the net loss of an associate, partially offset by other gains and lower income tax expense.

Total Assets

Total Assets decreased by 4.2% from US\$3,173.5 million in FY2018 to \$3,040.8 million in 3M2019 largely due to lower cash and cash equivalents due to higher cash paid to supplier, partially offset by higher advance payment for fixed assets of expansion projects.

Total Liabilities

Total Liabilities decreased by 10.7% from US\$1,403.4 million in FY2018 to US\$1,253.2 million in 3M2019 mainly due to lower trade accounts payable, partially offset by increased net financing of US\$90 million in 3M2019.

As of March 31, 2019, the Company is in a net debt position of US\$144.7 million.

Cash Flows from Operating Activities

Net cash used in Operating activities was US\$177.4 million in 3M2019 against US\$18.0 million cash generated in 3M2018 mainly due to lower cash receipt from customers, and a lower tax restitution amount received in 3M2019.

Cash Flows from Investing Activities

Net cash used in Investing activities decreased by 13.7% from US\$75.8 million in 3M2018 to US\$65.4 million in 3M2019, as capital expenditures related to downstream project expansions for the New Polyethylene plant and plant improvements have been spent in previous periods. We are expecting the completion of the New 400KTA Polyethylene plant, and debottlenecking of the Polypropylene plant to create an additional capacity of 110KTA this year.

Cash Flows from Financing Activities

Net cash provided by Financing activities was US\$63.8 million in 3M2019 against Net cash used in Financing of US\$21.0 million in 3M2018 due to higher proceeds from an export credit facility of US\$100 million.

MARKET UPDATES

Brent crude price remained firm at US\$64/bbl in Q1-2019 compared to US\$69/bbl in Q4-2018 driven by supply disruptions due to US sanctions against Iran and Venezuela, as well as supply cuts from OPEC.

Naphtha price in Q1-2019 decreased further from average US\$575/MT in Q4-2018 to US\$519/MT on the back of rising supply from India and Middle East as refineries resumed operations post various Turnaround Maintenance activities. The market was bearish during the Lunar New Year holiday in February.

Ethylene price increased from US\$890/MT in Q4-2018 to US\$930/MT in Q1-2019 mostly driven by tighter supply in the market due to unplanned cracker issues across the region.

Polymer price declined in Q1-2019 to US\$1,112/MT for Polyethylene and US\$1,223/MT for Polypropylene. Weaker Polymer prices were driven by bearish market outlook and limited offers during the Lunar New Year holiday.

Butadiene price declined from US\$1,093/MT in Q4-2018 to US\$1,073/MT in Q1-2019 on the back of sluggish demand for synthetic rubber amidst an outlook of a possible slowdown in the Asian automotive market.

Styrene Monomer price decreased from US\$1,127/MT in Q4-2018 to US\$1,041/MT in Q1-2019, due to concerns over slowing Chinese demand.

CORPORATE NEWS



Disaster Response Training for Students of Cilegon's Junior High School 9

On 27 February 2019, the Company led a tsunami evacuation drill in Cilegon's Junior High School 9, Ciwandan District, Cilegon that is 1 kilometer away from the Anyer coastline. The students are expected to disseminate the information to surrounding communities, especially those who reside near the coastline, so as to be more aware of a proper response in the event of a tsunami.



CAP Monomer Plant Awarded Total Productive Maintenance (TPM) Excellence Award in Kyoto

On 21 March 2019, the Company's Monomer Plant received a TPM Excellence Award in Kyoto from the Japan Institute for Plant Maintenance, following on from awards received by the styrene monomer and polymer plants in 2016 and 2017 respectively. The Company remains committed to implementing and embedding TPM principles.



CAP Received Two Awards from Habitat for Humanity

On 22 March 2019, the Company received a Nation Builder award in recognition of its contribution to people in need in Indonesia, and an Early Disaster Responder award for being responsive in supporting the needs of shelter for natural disasters victims. The awards were given in the Donor Appreciation Night held by Habitat for Humanity Indonesia.



CAP Sports Hall Officially Established in Cilegon

On 27 April 2019, the Company inaugurated its Sport Hall located within its dormitory for staff in Cilegon. The sports hall investment is part of the Company's agenda to continue supporting a healthier lifestyle for its employees, as well as developing a sense of community amongst employees within a healthy environment.



CAP Supports Efforts to Address Child Malnutrition Problem

On 30 April 2019, the Company completed its first Nutrition Checkpoint Program, to help address and overcome the problem of malnutrition in children. The Company is cooperating with the Cilegon Public Health Office and the Regional Technical Implementation Unit in Citangkil, and Ciwandan District Health Centers, Cilegon to deliver this initiative.



Paku Coastal Beach Clean Up

On 30 May 2019, the Company held a Coastal Clean Up at Paku Beach, Anyer, Serang in collaboration with Dow Chemical Indonesia. 336 staff participated to collect over 1,036 kilograms of waste. This program is also expected to help educate the broader community regarding waste sorting and the Reuse, Reduce, and Recycle (3Rs) concept as part of a broader waste management solution.



CAP Held its Annual General Meeting of Shareholders (AGMS) 2019

On 13 May 2019, the Company held its AGMS 2019 in Wisma Barito Pacific, Jakarta. The shareholders approved all the Meeting Agenda including a cash dividend distribution, changes in the Company's structure, and several amendments to the Articles of Association.



CAP Received Energy Management Insight Award

On 14 May 2019, the Company received an Energy Management Insight Award in the prestigious Energy Management Leadership Awards held by Clean Energy Ministerial. The award was given in recognition of CAP's good energy management program in line with ISO 50001 certification. The Company is one of the three organizations appointed by Indonesian's Ministry of Energy and Mineral Resources (ESDM) to represent the country.



CAP Successfully Launches Bond Investor Day

On 16 May 2019, the Company successfully held its inaugural Bond Investor Day at Fairmont Hotel in Jakarta, further to the Appreciation Dinner for VIP IDR Bondholders held in January 2019. The Company invited its Bond Club members and potential investors to participate in the ongoing issuance of its IDR bonds.