

Type: ANNOUNCEMENT

Subject: OTHERS

Description: UNPLANNED SHUTDOWN OF LONG RESIDUE CATALYTIC CRACKING UNIT (LRCCU)

Hengyuan Refining Company Berhad (“**Company**”) wishes to announce that, following a leakage found at the carbon monoxide boiler (CO Boiler) to Long Residue Catalytic Cracking Unit (“**LRCCU**”) yesterday and for safety reasons, the Company had shut down the LRCCU for inspection and repair. The LRCCU serves as a conversion process to convert the high-boiling point, high-molecular weight hydrocarbons fractions of crude oils into high value consumer petroleum products.

Following the shutdown of LRCCU, the Company is required to shut down the Hydrogen Manufacturing Unit (“**HMU**”) and Euro4Mogas facility (“**E4M**”) for inspection as part of regulatory requirements. Otherwise, the refinery plant is operating as usual.

At this juncture, the Company is proactively taking necessary measures with the aim of the LRCCU returning its operation to optimum levels on a phased basis, in the coming weeks. In the meantime, the inspection activities, originally scheduled for E4M and HMU in the fourth quarter of the year, will be executed during the period of shutdown. These activities are intended to negate the requirement for the further planned outages in 2024 for E4M and HMU.

The refinery production will be affected during the shutdown period as a result of the above incident, meaning that the revenue earned by the Company during the shutdown period will be reduced. Consequently, the Company will put in place mitigating measures to ensure there will be no major disruption of production supply to its customers during the shutdown period.

Given the current uncertainties, the financial impact of this incident cannot be reliably estimated at this point but is expected to be material for the Company. Further updates will be made from time to time when there are material developments.

This announcement is dated 20 June 2024.