

Unless otherwise stated, all abbreviations and defined terms contained in this Abridged Prospectus are defined in the “Definitions” and “Glossary of Technical Terms” sections of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after six (6) months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia (Tel. No. +603 7890 4700).

This Abridged Prospectus, together with the NPA and RSF (collectively, the “Documents”), are despatched only to the Entitled Shareholders whose names appear in our Record of Depositors as at 5:00 p.m. on 2 October 2025 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5:00 p.m. on 2 October 2025. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than the laws of Malaysia and are not intended to be (and will not be) issued, circulated or distributed in any country or jurisdiction other than Malaysia. No action has been (or will be) taken to ensure that either the Rights Issue with Warrants or the Documents comply with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares with Warrants, application for the Excess Rights Shares with Warrants or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants, would result in the contravention of any laws of such countries or jurisdictions. Our Company, AmInvestment Bank and/or other advisers named in this Abridged Prospectus shall not accept any responsibility or liability if any acceptance and/or renunciation (as the case may be) of the entitlements to the Rights Shares with Warrants, application for the Excess Rights Shares with Warrants or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants, made by any Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are residents.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at our EGM convened on 18 September 2025. Approval has also been obtained from Bursa Securities via its letter dated 18 August 2025 for the admission of the Warrants to the Official List as well as the listing and quotation of the Rights Shares, Warrants and Exercised Shares on the Main Market of Bursa Securities (subject to the conditions specified in the said letter). However, such admission, listing and quotation on the Main Market of Bursa Securities are not to be taken as an indication that Bursa Securities recommends the Rights Issue with Warrants and are not to be taken as an indication of the merits of the Rights Issue with Warrants.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of this Rights Issue with Warrants. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO “RISK FACTORS” AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.



HENGYUAN REFINING COMPANY BERHAD

(Registration No. 196001000259 (3926-U))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 300.0 MILLION NEW ORDINARY SHARES IN HENGYUAN REFINING COMPANY BERHAD (“HRC SHARES”) (“RIGHTS SHARES”) AT AN ISSUE PRICE OF RM0.78 PER RIGHTS SHARE TOGETHER WITH UP TO 150.0 MILLION FREE DETACHABLE WARRANTS (“WARRANTS”) ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING HRC SHARE HELD AS AT 5:00 P.M. ON 2 OCTOBER 2025 AND ONE (1) WARRANT FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR

Principal Adviser



AmInvestment Bank

AmInvestment Bank Berhad

(Registration No. 197501002220 (23742-V))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES:

Entitlement Date	:	Thursday, 2 October 2025 at 5:00 p.m.
Last date and time for sale of the Provisional Rights Shares with Warrants	:	Thursday, 9 October 2025 at 5:00 p.m.
Last date and time for transfer of the Provisional Rights Shares with Warrants	:	Monday, 13 October 2025 at 4:30 p.m.
Last date and time for acceptance and payment	:	Friday, 17 October 2025 at 5:00 p.m.
Last date and time for excess application and payment	:	Friday, 17 October 2025 at 5:00 p.m.

This Abridged Prospectus is dated 2 October 2025

ALL ABBREVIATIONS AND DEFINED TERMS CONTAINED IN THIS ABRIDGED PROSPECTUS ARE DEFINED IN THE “DEFINITIONS” AND “GLOSSARY OF TECHNICAL TERMS” SECTIONS OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

RESPONSIBILITY STATEMENTS

OUR DIRECTORS HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE WITH WARRANTS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

AMINVESTMENT BANK, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUE WITH WARRANTS, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE WITH WARRANTS.

STATEMENTS OF DISCLAIMER

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE WITH WARRANTS AND YOUR INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO THE LAWS OF MALAYSIA. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following abbreviations and definitions shall apply throughout this Abridged Prospectus:

Abridged Prospectus	:	This abridged prospectus dated 2 October 2025 issued by our Company in relation to the Rights Issue with Warrants
Act	:	Companies Act 2016
AmInvestment Bank or Principal Adviser	:	AmInvestment Bank Berhad
ATM	:	Automated teller machine
Authorised Nominee	:	A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
Bloomberg	:	Bloomberg Finance Singapore L.P. and its affiliates
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of our Company
Bursa Anywhere	:	Bursa Anywhere mobile application operated by Bursa Depository to enable depositors to perform their CDS transactions electronically from their mobile phones
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CDS	:	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account	:	Securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
Closing Date	:	17 October 2025 at 5:00 p.m., being the last date and time for the acceptance, application and payment for the Provisional Rights Shares with Warrants and the Excess Rights Shares with Warrants or any such later date and time as our Directors may, at their absolute discretion, decide and announce, but not less than two (2) Market Days before such stipulated date and time
CMSA	:	Capital Markets and Services Act 2007
Deed Poll	:	A deed poll constituting the Warrants dated 19 September 2025 executed by our Company
Director(s)	:	Director(s) of our Company and shall have the meaning ascribed to it in Section 2(1) of the Act and Section 2(1) of the CMSA
Documents	:	This Abridged Prospectus and the accompanying NPA and RSF, collectively
EGM	:	Extraordinary general meeting

DEFINITIONS (Cont'd)

Electronic Application	:	Application for the Provisional Rights Shares with Warrants and/or Excess Rights Shares with Warrants through the ATMs or internet financial services website of the Participating Financial Institutions
Entitled Shareholder(s)	:	Shareholders of our Company whose names appear in our Record of Depositors as at the close of business on the Entitlement Date
Entitlement Date	:	2 October 2025 at 5:00 p.m., being the date and time on which the names of our shareholders must appear in our Record of Depositors in order to be entitled to participate in the Rights Issue with Warrants
EPS	:	Earnings per Share
Excess Rights Shares with Warrants	:	Such Rights Shares with Warrants not taken up or validly taken up by the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) by the Closing Date
Exercised Shares	:	New HRC Shares to be issued by our Company arising from the exercise of the Warrants
Foreign-Addressed Shareholders	:	The Entitled Shareholders who have not provided an address in Malaysia for the service of the Documents
FPE	:	Financial period ended
FYE	:	Financial year ended/ending 31 December, as the case may be
HRC or Company	:	Hengyuan Refining Company Berhad
HRC Share(s) or Share(s)	:	Ordinary share(s) in HRC
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	17 September 2025, being the latest practicable date prior to the registration of this Abridged Prospectus
Market Day(s)	:	Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Assuming all the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) subscribe in full for their respective entitlements under the Rights Issue with Warrants
Minimum Scenario	:	Assuming only MHIL subscribes to its entitlement and excess application of up to 198,717,950 Rights Shares together with 99,358,975 Warrants to meet the Minimum Subscription Level pursuant to the Undertaking, and none of the other Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) subscribe for their respective entitlements under the Rights Issue with Warrants to raise a minimum gross proceeds of RM155.0 million
Minimum Subscription Level	:	Minimum subscription level to raise a minimum gross proceeds of RM155.0 million
MHIL	:	Malaysia Hengyuan International Limited
NA	:	Net assets

DEFINITIONS (Cont'd)

NPA	:	Notice of provisional allotment in relation to the Rights Issue with Warrants
NRS	:	Nominee rights subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of the Rights Issue with Warrants through Bursa Depository's existing network facility with the Authorised Nominees
Official List	:	A list specifying all securities listed on Bursa Securities
OPEC+	:	Collectively, the Organisation of the Petroleum Exporting Countries and its allies
Participating Financial Institutions	:	Participating financial institutions for the Electronic Application as listed in Section 10.5.2(i) of this Abridged Prospectus
Price-Fixing Date	:	18 September 2025, being the date on which the issue price of the Rights Shares and the exercise price of the Warrants were fixed by our Board
Provisional Rights Shares with Warrants	:	The Rights Shares provisionally allotted to the Entitled Shareholders together with the Warrants attached
Public Spread Requirement	:	Requirement under Paragraph 8.02(1) of the Listing Requirements which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders to ensure its continued listing on the Main Market of Bursa Securities
Record of Depositors	:	A record of depositors established and maintained by Bursa Depository under the Rules of Bursa Depository
Rights Issue with Warrants	:	Renounceable rights issue of up to 300.0 million Rights Shares at an issue price of RM0.78 per Rights Share together with up to 150.0 million Warrants on the basis of one (1) Rights Share for every one (1) existing HRC Share held as at the Entitlement Date and one (1) Warrant for every two (2) Rights Shares subscribed for
Rights Share(s)	:	New HRC Share(s) to be issued by our Company pursuant to the Rights Issue with Warrants
Rights Shares with Warrants Subscription File	:	An electronic file submitted by an Authorised Nominee who has subscribed for NRS, to Bursa Depository containing information pertaining to such Authorised Nominee's subscription of the Provisional Rights Shares with Warrants and/or Excess Rights Shares with Warrants
RSF	:	Rights subscription form in relation to the Rights Issue with Warrants
Rules of Bursa Depository	:	Rules of Bursa Depository as issued pursuant to SICDA
SC	:	Securities Commission Malaysia
Share Registrar	:	Boardroom Share Registrars Sdn Bhd
SICDA	:	Securities Industry (Central Depositories) Act 1991
TERP	:	Theoretical ex-rights price

DEFINITIONS (Cont'd)

- Undertaking : Irrevocable and unconditional undertaking by MHIL vide its letter dated 14 July 2025 (as amended and supplemented by the supplemental letter dated 3 September 2025) to undertake to apply and subscribe in full for its Rights Shares entitlement and additional Rights Shares not taken up by the other Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) by way of excess application (where applicable), to the extent that the aggregate subscription proceeds of the Rights Shares received by our Company arising from the subscription by all Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) (including MHIL) amount to no less than RM155.0 million
- VWAP : Volume weighted average market price
- Warrant(s) : Free detachable warrant(s) to be issued by our Company pursuant to the Rights Issue with Warrants

CURRENCIES

- RM and sen : Ringgit Malaysia and sen, respectively, being the lawful currency of Malaysia
- USD : United States Dollar, being the lawful currency of the United States of America

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GLOSSARY OF TECHNICAL TERMS

This glossary contains an explanation of certain technical terms used throughout this Abridged Prospectus in connection with and in the context of HRC's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms.

demurrage charges/ costs	:	Charges/costs incurred when there is a delay in loading of petroleum products on or unloading of crude oil off the vessel beyond the agreed laytime period contractually specified in the charter party agreement
fuel oil	:	A liquid petroleum product used as fuel in industrial furnaces or boilers to generate heat or power, or as a blended fuel for marine propulsion engines in ships
gasoil	:	Also known as diesel, this liquid fuel is primarily used in diesel engines found in vehicles such as trucks and buses, as well as industrial and agricultural machinery. It is classified as a middle distillate, produced through the refining of crude oil
Jet A1	:	Also known as jet fuel, which is a type of aviation fuel specifically designed to power jet engines used in commercial airliners, private jets and military aircraft
light naphtha	:	A petroleum product used as a primary feedstock in the petrochemical industry for producing olefins and aromatics. It may also be used as a blending component in gasoline formulations
LNG	:	Liquefied natural gas, which is natural gas that has been cooled to a liquid form to make it safe and efficient to store and transport over long distances. It is used as a fuel for heating, cooking, electricity generation and power plant, industrial manufacturing and vehicle propulsion
LPG	:	Liquefied petroleum gas, commonly used as a domestic and commercial fuel for cooking, heating, and powering vehicles (autogas). It also serves in industrial processes for heating and steam generation, in agriculture, manufacturing, as a refrigerant, aerosol propellant and as a feedstock in the chemical industry
Mogas	:	Motor gasoline, the refined petroleum product used as fuel in internal combustion engines, especially in cars and motorcycles
propylene	:	A product from petroleum or natural gas cracking, used to make polypropylene plastic, which is used for packaging, automotive components and textiles
refining margins	:	Also known as crack spread, which represents the difference between the cost of crude oil purchased by a refinery and the selling price of the refined petroleum products
sulphur	:	A byproduct of oil refining and various industrial processes, primarily used in the production of sulfuric acid, a key component in fertilisers. It also serves as a direct input in the manufacture of fungicides, pesticides, and other agricultural chemicals, as well as in the production of gunpowder, matches and vulcanised rubber

All references to **“our Company”** in this Abridged Prospectus are to HRC, and all references to **“we”**, **“us”**, **“our”** and **“ourselves”** in this Abridged Prospectus are to our Company. All references to **“you”** and **“your”** in this Abridged Prospectus are to the Entitled Shareholders and/or, where the context otherwise requires, the renounee(s) and/or transferee(s).

PRESENTATION OF INFORMATION

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to the provisions of any statute, rule, regulation, enactment or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rule, regulation, enactment or rules of stock exchange (as the case may be) currently in force or may be amended from time to time and any re-enactment thereof.

Any reference to a time of day and date in this Abridged Prospectus shall be a reference to Malaysian time of day and date respectively, unless otherwise specified.

Any exchange rate translations in this Abridged Prospectus are provided solely for your convenience and should not be constituted as representative that the translated amount stated in this Abridged Prospectus could have been or would have been converted into such amounts or vice versa.

Certain amounts and percentage figures included in this Abridged Prospectus have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company, such as in the quarterly results or annual reports of our Company (as the case may be), is due to rounding.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus shall not be regarded as a representation of warranty that our Company's plans and objectives will be achieved.

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ADVISERS' DIRECTORY

- PRINCIPAL ADVISER** : **AmInvestment Bank Berhad**
 22nd Floor, Bangunan AmBank Group
 No. 55, Jalan Raja Chulan
 50200 Kuala Lumpur
 Wilayah Persekutuan Kuala Lumpur
 Malaysia

 Tel. No.: +603 2036 2633
- SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS** : **Mah-Kamariyah & Philip Koh**
 3A07, Block B, Phileo Damansara II
 15 Jalan 16/11, Off Jalan Damansara
 46350 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia

 Tel. No.: +603 7956 8686
- COMPANY SECRETARIES** : **Tan Ai Ning**
 (SSM PC No. 202008000067)
 (MAICSA 7015852)

Tan Siew Hong
 (SSM PC No. 201908001915)
 (MAICSA 7066226)

 12th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
 46200 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia

 Tel. No.: +603 7890 4800
- SHARE REGISTRAR** : **Boardroom Share Registrars Sdn Bhd**
 11th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
 46200 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia

 Tel. No.: +603 7890 4700
- STOCK EXCHANGE LISTING** : Main Market of Bursa Securities

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

This summary of the Rights Issue with Warrants only highlights the key information from other parts of this Abridged Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Abridged Prospectus.

<u>Key information</u>	<u>Summary</u>
Basis of allotment and number of Rights Shares and Warrants to be issued	The Rights Issue with Warrants entails the issuance of up to 300.0 million Rights Shares at an issue price of RM0.78 per Rights Share together with up to 150.0 million Warrants, on the basis of one (1) Rights Share for every one (1) existing HRC Share held as at the Entitlement Date and one (1) Warrant for every two (2) Rights Shares subscribed for. Please refer to Section 2 of this Abridged Prospectus for further details.
Issue price of the Rights Shares and exercise price of the Warrants	Our Board has fixed the issue price of the Rights Shares at RM0.78 each and exercise price of the Warrants at RM1.00. Please refer to Section 2.1 of this Abridged Prospectus for further details.
Minimum Subscription Level and Undertaking	<p>Minimum Subscription Level : Minimum subscription level to raise minimum gross proceeds of RM155.0 million</p> <p>Undertaking provider : MHIL</p> <p>Undertaking provided : Irrevocable and unconditional undertaking to apply and subscribe for:</p> <p>(i) its entitlement to the Rights Shares in full; and</p> <p>(ii) additional Rights Shares not taken up by the other Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) by way of excess application (where applicable),</p> <p>to the extent that the aggregate subscription proceeds of the Rights Shares with Warrants received by our Company arising from the subscription by all Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) (including MHIL) amount to no less than RM155.0 million. Please refer to Section 3 of this Abridged Prospectus for further details.</p>

Use of proceeds	Description of use of proceeds	Minimum Scenario		Maximum Scenario		Timeframe for utilisation*
		(RM'000)	(%)	(RM'000)	(%)	
	General working capital	153,450	99.00	232,450	99.34	Within 12 months
	Estimated expenses in relation to the Rights Issue with Warrants	1,550	1.00	1,550	0.66	Within two (2) months
	Total estimated proceeds	155,000	100.00	234,000	100.00	

*Note: * From the date of completion of the Rights Issue with Warrants.*

Please refer to Section 4 of this Abridged Prospectus for further details.

Risk factors Before subscribing for or investing in the Rights Issue with Warrants, you should consider the risk factors set out in Section 6 of this Abridged Prospectus, including the following:

- (i) **Exposure to volatility in global crude oil prices and prices of refined petroleum products** – Our financial performance is significantly influenced by our refining margins, which are in turn affected by fluctuations in global crude oil prices and the selling prices of our refined petroleum products. Any adverse movement in crude oil prices and refined product prices could materially and adversely affect our profitability, liquidity, and overall financial position.

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS (Cont'd)

Key information	Summary
	<p>(ii) Regulatory compliance and environmental risk – We operate in a highly regulated industry subject to stringent national and international standards. Non-compliance with these regulations can result in substantial financial and operational consequences.</p> <p>(iii) Climate change and energy transition – Global efforts to mitigate climate change could dampen long-term demand for our refined petroleum products, which may in turn materially impact our operations and financial performance.</p> <p>(iv) Dependency on licenses, permits and certifications to operate – Our operations are highly dependent on various licenses, permits and certifications issued by regulatory authorities in Malaysia. Any failure to obtain, maintain or renew these licenses, permits and certifications could result in the suspension or cessation of our operations, imposition of fines or penalties, or reputational damage.</p> <p>(v) Dependency on our principal customer – We derive a significant portion of our revenue from our principal customer, Shell. Any adverse change in our business relationship with Shell such as contract termination, reduction in order volumes, shifts in procurement strategy or financial distress, could materially and adversely impact our financial performance and cash flows.</p> <p>(vi) Occurrence of major health, safety, security and environment (“HSSE”) incidents as well as operational disruptions – Our refining operations involve the handling of large inventories of flammable hydrocarbons, pressurised equipment and rotating machinery. Major HSSE and operational incidents may occur and may result in loss of life, serious injuries, environmental damage and significant financial liabilities.</p> <p>(vii) Breakdown or loss of critical assets – Our operations are dependent on the operating efficiency and reliability of our key assets, equipment and facilities. Unexpected failures or extended downtime of key assets may disrupt our operations, reduce throughput, and impair our ability to meet our contractual obligations with our customers.</p> <p>(viii) Investment and capital market risks – The market price of our Shares (including the Rights Shares) and Warrants is subject to fluctuation. There is no assurance that the market price of the Rights Shares and Warrants will be at a level that meets the specific investment objectives or targets of any subscriber.</p>
Procedures for acceptance, application and payment	<p>Acceptance of and payment for the Provisional Rights Shares with Warrants and the Excess Rights Shares with Warrants may be made by way of the RSF enclosed with this Abridged Prospectus, Electronic Application, Bursa Anywhere or NRS, and must be completed in accordance with the notes and instructions contained therein, as well as the procedures, terms and conditions thereto (where relevant).</p> <p>The last date and time for acceptance of and payment for the Provisional Rights Shares with Warrants and the Excess Rights Shares with Warrants is at 5:00 p.m. on Friday, 17 October 2025. Please refer to Section 10 of this Abridged Prospectus for further details.</p>



HENGYUAN REFINING COMPANY BERHAD

(Registration No. 196001000259 (3926-U))
(Incorporated in Malaysia)

Registered Office

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

2 October 2025

Board of Directors:

Wang, YouDe (*Chairman / Non-Independent Non-Executive Director*)

Surinderdeep Singh Mohindar Singh (*Independent Non-Executive Director*)

Tai Sook Yee (*Independent Non-Executive Director*)

Li, XiaoXia (*Independent Non-Executive Director*)

Peter Ho Kok Wai (*Independent Non-Executive Director*)

To: Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 300.0 MILLION RIGHTS SHARES AT AN ISSUE PRICE OF RM0.78 PER RIGHTS SHARE TOGETHER WITH UP TO 150.0 MILLION WARRANTS ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING HRC SHARE HELD AS AT 5:00 P.M. ON 2 OCTOBER 2025 AND ONE (1) WARRANT FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR

1. INTRODUCTION

On 14 July 2025, AmlInvestment Bank had, on behalf of our Board, announced that our Company proposes to undertake the Rights Issue with Warrants.

On 6 August 2025, AmlInvestment Bank had, on behalf of our Board, announced that following further deliberation and taking into consideration the prevailing market conditions, our Board has resolved to refine the discount range for the issue price of the Rights Shares to provide greater pricing clarity for its shareholders. The discount range has been narrowed to between 20.0% and 40.0%, from the previously proposed range of 20.0% and 50.0%, based on the TERP of HRC Shares immediately preceding the Price-Fixing Date (rounded to the nearest whole sen).

Subsequently, Bursa Securities had vide its letter dated 18 August 2025, approved the following:

- (i) listing and quotation of up to 300.0 million Rights Shares to be issued pursuant to the Rights Issue with Warrants;
- (ii) admission to the Official List and the listing and quotation of up to 150.0 million Warrants to be issued pursuant to the Rights Issue with Warrants; and
- (iii) listing and quotation of up to 150.0 million new HRC Shares to be issued arising from the exercise of the Warrants.

The said approval granted by Bursa Securities is subject to the following conditions:

No.	Condition	Status of compliance
(i)	HRC and AmlInvestment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants;	To be complied
(ii)	HRC must comply with the public security holding spread requirements pursuant to Paragraph 8.02(1) of the Listing Requirements upon listing and quotation of the new HRC Shares;	To be complied
(iii)	HRC is required to furnish Bursa Securities with a certified true copy of the resolution passed by its shareholders at a general meeting for the Rights Issue with Warrants;	To be complied
(iv)	HRC and AmlInvestment Bank are required to inform Bursa Securities upon completion of the Rights Issue with Warrants;	To be complied
(v)	HRC and AmlInvestment Bank are required to provide a written confirmation that the terms of Warrants are in compliance with Paragraph 6.54(3) of the Listing Requirements;	To be complied
(vi)	HRC is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed; and	To be complied
(vii)	HRC is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 18 September 2025, our shareholders had during our EGM approved the Rights Issue with Warrants. On the same day, AmlInvestment Bank had, on behalf of our Board, announced that:

- (i) the issue price of the Rights Shares has been fixed at RM0.78 per Rights Share and the exercise price of the Warrants has been fixed at RM1.00 per Warrant; and
- (ii) the Entitlement Date for the Rights Issue with Warrants has been fixed at 5:00 p.m. on 2 October 2025.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus in connection with the Rights Issue with Warrants and, if given or made, such information or representation must not be relied upon as having been authorised by us and/or AmlInvestment Bank.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants entails the issuance of up to 300.0 million Rights Shares at an issue price of RM0.78 per Rights Share together with up to 150.0 million Warrants, on the basis of one (1) Rights Share for every one (1) existing HRC Share held as at the Entitlement Date and one (1) Warrant for every two (2) Rights Shares subscribed for. The Warrants are attached to the Rights Shares and will only be issued to the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who subscribe for the Rights Shares at no charge.

The Rights Issue with Warrants will be undertaken on the Minimum Subscription Level basis to raise minimum gross proceeds of RM155.0 million for the purposes as set out in Section 4 of this Abridged Prospectus, which is derived from the Undertaking. Based on the Minimum Subscription Level, 198,717,950 Rights Shares together with 99,358,975 Warrants will be issued pursuant to the Rights Issue with Warrants.

However, assuming all the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) subscribe in full for their respective entitlements under the Rights Issue with Warrants, 300.0 million Rights Shares together with 150.0 million Warrants will be issued pursuant to the Rights Issue with Warrants.

The Warrants will immediately be detached from the Rights Shares upon issuance and will be traded separately on Bursa Securities. The Warrants will be issued in registered form and constituted by the Deed Poll, as may be supplemented from time to time. The salient terms of the Warrants are set out in Appendix II of this Abridged Prospectus.

The Rights Issue with Warrants is renouneable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements under the Rights Issue with Warrants in full or in part. However, the Rights Shares and the Warrants cannot be renounced separately. As such, the Entitled Shareholders who renounce all their entitlements for the Rights Shares shall be deemed to have renounced all the accompanying entitlements to the Warrants to be issued together with such Rights Shares. If the Entitled Shareholders accept only part of their entitlements for the Rights Shares, they shall be entitled to the Warrants in proportion to their acceptance of their entitlements for the Rights Shares.

The Rights Shares, together with the accompanying Warrants, which are not taken up or validly taken up, shall be made available for excess applications by other Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable). Our Board intends to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner on such basis as set out in Section 10.8.1 of this Abridged Prospectus.

Fractional entitlements arising from the Rights Issue with Warrants, if any, shall be disregarded and/or dealt with by our Board in such manner as our Board in its absolute discretion deems fit or expedient and in the best interest of our Company.

As an Entitled Shareholder and given that the Rights Shares with the Warrants are prescribed securities, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, a NPA notifying you of the crediting of such Provisional Rights Shares with Warrants into your CDS Account, and a RSF to enable you to subscribe for such Provisional Rights Shares with Warrants and/or apply for Excess Rights Shares with Warrants if you wish to do so. However, only the Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus together with the NPA and RSF.

Any dealings in our Company's securities will be subject to, among others, the provisions of the SICDA and the Rules of Bursa Depository. Accordingly, upon subscription, the Rights Shares with Warrants will be credited directly into the respective CDS Accounts of the Entitled Shareholders and/or their renounee(s) and/or their transferee(s) who have successfully subscribed for the Rights Shares with Warrants. No physical certificates in respect of the Rights Shares or Warrants will be issued.

2.1 Basis and justification of determining the issue price of the Rights Shares and the exercise price of the Warrants

(i) Issue price of the Rights Shares

The issue price of RM0.78 per Rights Share was determined and fixed by our Board on the Price-Fixing Date after taking into consideration, among others, the following:

- (a) the TERP⁽¹⁾ of HRC Shares based on the five (5)-day VWAP of HRC Shares immediately preceding the Price-Fixing Date and our Board's intention to fix the issue price of the Rights Shares at a discount of between 20.0% to 40.0% to the TERP of HRC Shares.

The issue price of RM0.78 per Rights Share represents a discount of approximately 20.87% to the TERP of HRC Shares of RM0.9857, calculated based on the five (5)-day VWAP of HRC Shares up to and including 17 September 2025, being the last Market Day immediately preceding the Price-Fixing Date of RM1.1914 per HRC Share;

- (b) the funding requirements of our Company as set out in Section 4 of this Abridged Prospectus. Based on the issue price of RM0.78 per Rights Share, the Rights Issue with Warrants will raise an amount of RM155.0 million under the Minimum Scenario and RM234.0 million under the Maximum Scenario; and
- (c) the prevailing market conditions and market prices of HRC Shares preceding the Price-Fixing Date.

Note:

$$(1) \quad TERP = \frac{(A \times X) + (B \times Y)}{A + B}$$

where:

A = Number of Rights Shares (i.e. one (1) Right Share)

B = Number of existing HRC Shares held (i.e. one (1) existing HRC Share)

X = Issue price of the Rights Shares (i.e. RM0.78 per Rights Share)

Y = Five (5)-day VWAP of HRC Shares up to and including 17 September 2025, being the last Market Day immediately preceding the Price-Fixing Date (i.e. RM1.1914 per HRC Share)

and the ratio of A:B is 1:1, in accordance with the entitlement basis of one (1) Rights Share for every one (1) existing HRC Share held.

The abovementioned discount is intended to provide the Entitled Shareholders with an attractive opportunity to increase their equity participation in our Company on a pro rata basis at a discount to the prevailing market price of HRC Shares and to reward the Entitled Shareholders for their continuous support of our Company.

(ii) Exercise price of the Warrants

The exercise price of the Warrants of RM1.00 per HRC Share was determined and fixed by our Board on the Price-Fixing Date after taking into consideration, among others, the following:

- (a) the TERP of the HRC Shares based on the five (5)-day VWAP of HRC Shares immediately preceding the Price-Fixing Date.

The exercise price of RM1.00 per HRC Share represents a slight premium of approximately 1.45% over the TERP of HRC Shares of RM0.9857 as set out in paragraph (i)(a) above; and

- (b) the historical market prices of the HRC Shares.

2.2 Ranking of the Rights Shares and the Exercised Shares**(i) Rights Shares**

The Rights Shares will, upon allotment and issuance, rank equally in all respects with the existing HRC Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid, the entitlement date of which precedes the date of allotment and issuance of the Rights Shares.

(ii) Exercised Shares

The Exercised Shares will, upon allotment and issuance (following full payment of the exercise price of the Warrants), rank equally in all respects with the existing HRC Shares, save and except that the Exercised Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid, the entitlement date of which precedes the date of allotment and issuance of the Exercised Shares.

2.3 Details of equity fund-raising exercise undertaken by our Company in the past five (5) years

Our Company has not undertaken any equity fund-raising exercise in the past five (5) years preceding the date of this Abridged Prospectus.

3. IRREVOCABLE AND UNCONDITIONAL UNDERTAKING

The Rights Issue with Warrants will be undertaken on a Minimum Subscription Level basis to raise minimum gross proceeds of RM155.00 million which is to be channelled towards the purposes as set out in Section 4 of this Abridged Prospectus.

In order to achieve the Minimum Subscription Level, our Company has procured the Undertaking from our major shareholder, namely MHIL, to undertake to apply and subscribe in full for its Rights Shares entitlement and additional Rights Shares not taken up by the other Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) by way of excess application (where applicable), to the extent that the aggregate subscription proceeds of the Rights Shares with Warrants received by our Company arising from the subscription by all Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) (including MHIL) amount to no less than RM155.0 million. For the avoidance of doubt, the subscription of Rights Shares with Warrants (including Excess Rights Shares with Warrants, where applicable) by MHIL pursuant to its Undertaking is for an amount of up to RM155.0 million.

Based on the Minimum Scenario, the number of Rights Shares to be subscribed by MHIL pursuant to the Undertaking is as follows:

Name	Shareholding as at the LPD		No. of Rights Shares to be subscribed pursuant to the Undertaking			No. of Warrants entitled
	No. of Shares	(1)%	Entitlement	Excess	Total	
MHIL	153,069,002	51.02	153,069,002	45,648,948	198,717,950	99,358,975

Note:

(1) Based on the existing number of 300,000,000 HRC Shares in issue as at the LPD.

Based on the above scenario, the pro forma shareholdings of MHIL and the other Entitled Shareholders in our Company are as follows:

Name	Shareholding as at the LPD		(I) After the Rights Issue with Warrants		(II) After (I) and assuming full exercise of the Warrants	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
MHIL	153,069,002	51.02	351,786,952	70.54	451,145,927	75.43
Other Entitled Shareholders:						
▪ Non-public	-	-	-	-	-	-
▪ Public	146,930,998	48.98	146,930,998	29.46	146,930,998	24.57
	300,000,000	100.00	498,717,950	100.00	598,076,925	100.00

MHIL has confirmed that it has sufficient financial resources to fulfil its commitment under the Undertaking and will make full payment for the Rights Shares with Warrants upon subscription. AmlInvestment Bank has verified that MHIL has sufficient financial resources to fulfil its commitment under the Undertaking.

For the avoidance of doubt, while MHIL has undertaken to subscribe for an additional 45,648,948 Rights Shares, the allocation of the Excess Rights Shares is subject to the subscription level of the Rights Issue with Warrants and the basis of allocation as set out in Section 10.8.1 of this Abridged Prospectus.

Given that the Minimum Subscription Level will be fully satisfied via the Undertaking, there will be no underwriting arrangement for the remaining portion of the Rights Shares with Warrants for which no undertaking has been obtained.

Pursuant to Paragraph 6.18(4) of the Listing Requirements, where the Minimum Subscription Level is not achieved, the implementation of the Rights Issue with Warrants must be terminated and all consideration received must be immediately returned to all subscribers. As such, if the Minimum Subscription Level is not achieved for any reason whatsoever, our Company will not proceed with the implementation of the Rights Issue with Warrants. All subscription monies received pursuant to the Rights Issue with Warrants will be returned without interest as soon as practicable to the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who have subscribed for the Rights Shares.

Mandatory take-over offer obligation implication

Given that MHIL's shareholding in our Company stands at 51.02% as at the LPD, the Undertaking will not give rise to any mandatory take-over offer obligation under the Malaysian Code on Take-Overs and Mergers 2016 and the Rules on Take-Overs, Mergers and Compulsory Acquisition immediately after the completion of the Rights Issue with Warrants.

Public shareholding spread

As illustrated above, the Undertaking is not expected to result in any breach in the Public Spread Requirement by our Company upon completion of the Rights Issue with Warrants. However, assuming full exercise of the Warrants by MHIL under the Minimum Scenario, our Company will not be in compliance with the Public Spread Requirement. In view of the foregoing, our Company has obtained written irrevocable undertaking dated 3 September 2025 from MHIL that it shall not exercise any of its Warrants after the completion of the Rights Issue with Warrants if the exercise of such number of Warrants will result in our Company not being able to comply with the Public Spread Requirement.

In addition to the above, our Company will also monitor the public shareholding spread of our Company to ensure that any exercise of the Warrants by MHIL will comply with the Public Spread Requirement.

Notwithstanding the above, our Company, whilst issuing the Warrants, shall observe the provision that the listing of Warrants must have at least 100 Warrants holders holding not less than one (1) board lot of Warrants each pursuant to Paragraph 6.51 of the Listing Requirements.

4. USE OF PROCEEDS

Our Company intends to utilise the gross proceeds raised from the Rights Issue with Warrants in the following manner:

Description of use of proceeds	Notes	Minimum Scenario		Maximum Scenario		Timeframe for utilisation*
		(RM'000)	(%)	(RM'000)	(%)	
General working capital	(i)	153,450	99.00	232,450	99.34	Within 12 months
Estimated expenses in relation to the Rights Issue with Warrants	(ii)	1,550	1.00	1,550	0.66	Within two (2) months
Total estimated proceeds		155,000	100.00	234,000	100.00	

Notes:

* From the date of completion of the Rights Issue with Warrants.

(i) Our Company is principally engaged in refining and manufacturing of petroleum products. This entails refining crude oil into various cracked products such as diesel (gasoil), petrol (Mogas), jet fuel (Jet A1), LPG, fuel oil components, sulphur and chemical feedstocks (such as light naphtha and propylene). Hence, feedstocks (particularly crude oil) are the main raw materials used in our Company's business representing close to 99% of our cost of sales. For information, our Company operates a refinery in Port Dickson with a production capacity of up to 156,000 barrels per day. Under normal operations, our refinery's daily production volume ranges from 110,000 to 120,000 barrels, representing a utilisation rate ranging from approximately 70% to 77%. In 2024, our Company produced a total of 39.8 million barrels of refined products using 36.8 million barrels of crude oil as feedstock. During the year, the price of crude oil (Brent) ranged between USD70 to USD90 per barrel, and the total cost of feedstock amounted to approximately RM16.86 billion, representing approximately 99% of our cost of sales.

In this regard, after defraying the expenses in relation to the Rights Issue with Warrants, our Company intends to use the proceeds raised from the Rights Issue with Warrants to strengthen our Company's existing working capital position. Under the Minimum Scenario and Maximum Scenario, our Company expects to raise net proceeds of approximately USD36.64 million# (equivalent to approximately RM153.45 million) and USD55.51 million# (equivalent to approximately RM232.45 million) respectively. The net proceeds will be used to finance the purchase of an estimated 510,800 barrels and 773,773 barrels of crude oil, respectively, based on an assumed crude oil price of USD71.74 per barrel (being the average crude oil (Brent) price from 1 January 2025 to 30 June 2025). For avoidance of doubt, the crude oil purchased will be processed within our existing refinery capacity and will not involve any expansion beyond our current refinery capacity of up to 156,000 barrels per day.

Based on BNM's exchange rate of USD1:RM4.1875, being the middle rate published on BNM's website as at the LPD.

(ii) *The expenses in relation to the Rights Issue with Warrants are estimated to be about RM1.55 million, the details of which are as follows:*

Purpose	RM'000
<i>Estimated professional fees*</i>	1,275
<i>Estimated fees payable to authorities</i>	144
<i>Estimated expenses for convening EGM, printing and advertising expenses as well as other incidental expenses relating to the Rights Issue with Warrants</i>	131
Total	1,550

* *The estimated professional fees relate to services rendered by, among others, the Principal Adviser, solicitors and share registrar in connection with the Rights Issue with Warrants.*

Any surplus or shortfall in the funds allocated for expenses relating to the Rights Issue with Warrants against the actual expenses incurred will be adjusted against the amount allocated for general working capital purposes, i.e. for the purchase of additional barrels of crude oil.

The total proceeds to be raised from the Rights Issue with Warrants will depend on the actual subscription of the Rights Issue with Warrants. Any variance between the actual total proceeds raised and the estimated proceeds stated above will be either deducted from or allocated to our Company's general working capital requirements. In any event, as explained above, the Rights Issue with Warrants will raise minimum gross proceeds of RM155.0 million pursuant to the Minimum Subscription Level.

The exact quantum of proceeds that may be raised by our Company from the exercise of the Warrants would depend on the actual subscription of the Rights Issue with Warrants and the actual number of Warrants exercised during the tenure of the Warrants. The proceeds from the exercise of the Warrants will be received on an "as and when basis" over the tenure of the Warrants.

Based on the exercise price of the Warrants of RM1.00, the full exercise of the Warrants will raise RM99.36 million under the Minimum Scenario and RM150.00 million under the Maximum Scenario. Any proceeds raised from the future exercise of the Warrants shall be used to fund our Company's working capital requirements, which may include the purchase of crude oil and refining additives as well as the payment of manufacturing and operating expenses (such as utilities charges, plant maintenance and service charges as well as staff related expenses). The exact details of the use of such proceeds, including the breakdown of the utilisation cannot be determined at this juncture.

Pending the use of proceeds to be raised from the Rights Issue with Warrants for the purposes as set out above, such proceeds will be placed in deposits with licensed bank(s)/financial institution(s) and/or short-term money market instrument(s), as our Board may deem fit. Any profit derived from such deposit(s) and/or any gain arising from such market instrument(s) will be used to fund the working capital requirements of our Company.

5. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

After due consideration of the various funding options available to our Company as well as our Company's capital structure, our Board is of the opinion that the Rights Issue with Warrants is the most appropriate avenue for our Company to raise funds, based on the following rationale:

- (i) it enables our Company to raise funds without having to incur interest costs or service principal repayments, unlike conventional bank borrowings or the issuance of debt securities. This will allow our Company to conserve our cash reserves and preserve our cash flows for our working capital and operational needs, particularly in light of our Company's ongoing refinery optimisation and maintenance plans.

While stringent maintenance plans scheduled at regular intervals forms part of our routine refinery operations, our Company's ongoing refinery optimisation initiative includes the engineering, procurement, construction and commissioning of a new air separation unit (ASU) to produce high-purity gases - 99.9% Nitrogen and 99.5% Oxygen - for internal consumption. This initiative supports the plant's strategic shift towards self-sufficiency and enhanced operational flexibility, ultimately reducing reliance on external gas suppliers. The total project value for this refinery optimisation initiative is estimated at RM30.7 million, and is targeted to be completed by the third quarter of 2026;

- (ii) it involves the issuance of new HRC Shares without diluting our existing shareholders' percentage shareholding in our Company provided that they subscribe in full to their respective entitlements under the Rights Issue with Warrants;
- (iii) it provides the Entitled Shareholders with an opportunity to participate further in our Company's prospects and future growth by subscribing to the Rights Shares at a discount to the TERP of HRC Shares; and
- (iv) it will increase the total number of HRC Shares in circulation, thereby strengthening our Company's capital base. This enlarged equity base is expected to improve our Company's gearing and overall financial position, while potentially enhancing the liquidity and marketability of HRC Shares on the Main Market of Bursa Securities.

In addition, the Warrants, which are issued at no additional cost together with the Rights Shares, serve as a form of reward to the Entitled Shareholders. These Warrants grant the holders an option to further increase their equity participation in our Company by exercising their Warrants at its exercise price during the tenure of the Warrants. In addition, the issuance of the Warrants also provides an additional incentive for the Entitled Shareholders to participate in the Rights Issue with Warrants through the subscription of the Rights Shares. It will also enable our Company to raise further equity funds upon any future exercise of the Warrants, which will further strengthen our capital base. Additionally, as the Warrants will be listed and traded separately from the HRC Shares, this will also provide the Entitled Shareholders with an avenue to monetise the Warrants should they choose to do so.

Our Board has also considered the following factors before embarking on the Rights Issue with Warrants:

(a) **Steps taken/to be taken to address our Company's financial concerns**

In the past three (3) financial years since 2022, the financial performance of our Company has been significantly affected by fluctuating global market prices for crude oil and refined petroleum products. These fluctuations were further exacerbated by the impact of the COVID-19 pandemic (particularly in 2021 and early 2022), global geopolitical tensions, and crude oil production output cuts by the OPEC+. The global geopolitical tensions included the protracted Russia-Ukraine conflict since early 2022, heightened instability across the broader Middle East region (notably the Red Sea shipping crisis that forced numerous vessels to reroute around Southern Africa), the tightening of international sanctions on Russia and various other global economic uncertainties, had significantly disrupted crude oil supply chains up until early 2024.

Beyond these external market forces, our Company's financial performance was also impacted by internal operational factors, including several plant production downtimes and scheduled maintenance exercises as follows:

- scheduled maintenance conducted from December 2022 to early 2023 in response to the significant energy supply disruption in July 2022, which affected multiple areas in Peninsular Malaysia;
- major turnaround exercise carried out in July and August 2023, which necessitated a full temporary shutdown of the refinery plant to allow for a comprehensive maintenance, inspections, repairs and upgrades to the production units and equipment to ensure fully functional plant and equipment for smooth operation and also compliance with safety requirements for workers and authorities; and
- unplanned downtime in June 2024 due to a leakage at the carbon monoxide boiler of the long residue catalytic cracking unit (LRCCU), requiring immediate rectification to contain and mitigate impacts for safety, operation efficiency and product output.

Furthermore, our Company's financial results were also materially impacted by losses arising from the long-hedging position established in prior years. For information, our Company had implemented long-term hedging strategies through refining margin swaps contracts, aimed at mitigating exposure to fluctuations in refining margin. These hedging strategies and positions taken by our Company were effective and protected our profitability since FYE 2018 and during the COVID-19 pandemic until the conflict began between Russia and Ukraine. Following the outbreak of the Russia-Ukraine war, these hedging positions – originally designed to protect our profitability – were disrupted by the sudden and unfavourable shift in market conditions, undermining the effectiveness of these hedging positions. As a result, between 2022 until the first half of 2024, when the long-hedging position was fully unwound and closed out, our Company incurred significant mark-to-market and realised losses from these hedging positions, particularly during periods of heightened price volatility or unexpected market reversals.

For further information on our Company's financial performance for the last four (4) FYEs up to the FYE 2024 and for the six (6)-month FPE 30 June 2025, please refer to Section 5 of Appendix I of this Abridged Prospectus.

Despite these challenges, our Company remains focused on enhancing operational efficiencies, improving margins, and reinforcing long-term financial sustainability. Our Company has taken the following steps and will continue to take such steps, as may be relevant, to improve our financial condition:

- (aa) **re-strategising our hedging policy** by shifting towards shorter-term hedging positions. This approach allows for greater flexibility and responsiveness to rapid changes in global crude oil prices. This is expected to reduce our Company's exposure to the volatile global crude oil price movements and to avoid or reduce potential loss-making position from the past hedging activities;
- (bb) **scheduled maintenance and upgrading works on our refining plant and other critical equipment**, which serves as pre-emptive measure to reduce future operational issues and ensure reliable, sustainable and efficient operation of our plant and equipment. Our Company has also undertaken several other business improvement initiatives within our refining operations aimed at enhancing overall production performance and cost efficiency. These initiatives are expected to increase the refinery's intake and output capacity, improve the plant's yield of high-value products and optimise operational efficiency that are expected to reduce operating expenses. Such key areas of focus include:

- *production yield improvement*: implementation of advanced process control systems to reduce Euro 4 Mogas (U95) sulphur giveaway, thereby minimising Research Octane Number (Ron) loss and improving fuel quality consistency;
 - *energy efficiency enhancements*: upgrading the conversion of natural gas to fuel gas through bypass valve improvements, increasing the capacity of mixed bed systems to reduce both water and chemical consumption, and integrating natural gas and fuel gas systems to reduce LPG (propane) vaporisation losses; and
 - *cost reduction measures*: installation of a dedicated berthing facility for Mogas at Berth 3 Jetty to reduce demurrage costs associated with vessel handling;
- (cc) **focus on production of higher-margin products**, a continuation of our strategic efforts taken since 2024, leading to the successful optimisation of gasoil (i.e. diesel) output. This key initiative involved upgrading low-value cracked cycle oil into high-value Euro 5 gasoil, which contributed to increased revenue and earnings. These gasoil maximisation strategies were fully realised within our Company's existing plant capabilities via the implementation of advanced process control and automation technologies in our hydro-processing units, enabling more efficient operations and product quality enhancement. These strategies do not require major capital investment, as the shift in focus towards higher-margin products does not involve the introduction of new product lines. Instead, it entails the reconfiguration of the output mix which can be achieved using our plant's current equipment and infrastructure;
- (dd) **diversify products and customer base** to reduce reliance on a concentrated customer base. Our Company has expanded our market reach by entering into several new sales and supply agreements with PETRONAS, Petron and Five, with a combined value exceeding RM186 million in the FYE 2024. These strategic moves are expected to enhance our Company's ability to monetise our product mix more effectively and strengthen our position in regional markets; and
- (ee) **cost rationalisation exercises** undertaken which include the following:
- stringent controls implemented in the crude oil discharge process, which directly led to substantial reduction in both demurrage charges and oil losses. For information, the average demurrage charges and oil losses for the six (6)-month FPE 30 June 2025 reduced by approximately 60% and 35% respectively as compared to the average recorded in the FYE 2024;
 - enhanced foreign exchange hedging strategy with a clear defined policy and monitoring mechanism that closely track and monitor foreign currency fluctuations, with the objective of optimising RM-equivalent savings in crude procurement costs;
 - comprehensive reviews of our business contracts and increasing the use of tender arrangements instead of direct negotiation with limited number of suppliers to achieve more favourable terms for our Company which resulted in an overall saving to our Company of approximately RM45 million in procurement cost in the FYE 2024; and
 - detailed business performance review of our existing suppliers to accurately assess the quality of goods and services rendered and to then determine which should be retained and where sourcing for alternatives would be strategically beneficial to our Company.

(b) **Adequacy of proceeds raised from the Rights Issue with Warrants**

While our Company continues to improve our financial performance, our Company proposes to undertake the Rights Issue with Warrants as an interim fund-raising measure to strengthen our short-to-medium term working capital position. Our Board is of the view that the immediate proceeds to be raised from the Rights Issue with Warrants are adequate to meet our Company's financial requirements over the short-to-medium term. The Rights Issue with Warrants is also expected to enhance our Company's capital base to better reflect the scale of our operations. For information, as at 31 December 2024, our Company has total assets of approximately RM3.8 billion, underpinned by a comparatively modest share capital base of RM300.0 million.

Notwithstanding this fund-raising exercise, our Company will continue to evaluate our operational and financial positions on an ongoing basis and will take appropriate steps to ensure long-term sustainability and valuation creation for our stakeholders.

(c) **Value expected to be created from the Rights Issue with Warrants to our Company and the shareholders of our Company as well as the impact of the Rights Issue with Warrants**

Our Board recognises that the Rights Issue with Warrants is not expected to result in an immediate turnaround of our Company's financial performance. However, the Rights Issue with Warrants is expected to ease our Company's cash flow constraints and strengthen our short-to-medium term working capital requirements without incurring additional interest expenses or repayment obligations that could otherwise further weaken our Company's financial performance.

The proceeds from the Rights Issue with Warrants are also critical to enable our Company to ensure consistent sufficient crude intake. Crude supply stability is essential for optimal refinery utilisation and operating efficiency, as lower or inconsistent intake volumes tend to result in higher per-barrel production costs due to suboptimal capacity use and fixed-cost absorption. By maintaining adequate feedstock levels, our Company can achieve a more efficient production cost structure per barrel, which in turn will support margin recovery and improve overall competitiveness in a volatile market.

The Rights Issue with Warrants is also expected to strengthen our Company's equity capital base, thereby enhancing our financial flexibility and credit profile to support our future financing needs.

In addition, the Rights Issue with Warrants provides the Entitled Shareholders with an opportunity to participate in our Company's prospects and long-term future growth by subscribing to the Rights Shares at a discount to the TERP of HRC Shares. It also allows them to further increase their equity participation in our Company by exercising their Warrants at a predetermined price during the tenure of the Warrants. There is no dilution to the percentage shareholding of the Entitled Shareholders in our Company provided that they subscribe in full for their respective entitlements under the Rights Issue with Warrants.

However, in the event none of the Entitled Shareholders subscribe for their respective entitlements under the Rights Issue with Warrants, save for MHIL based on its Undertaking, the shareholdings of the other Entitled Shareholders (excluding MHIL) in our Company will be diluted, and MHIL's shareholding in our Company will correspondingly increase. Further information on the pro forma effects of the Rights Issue with Warrants on the shareholding of MHIL in our Company is set out in Section 3 of this Abridged Prospectus.

6. RISK FACTORS

In addition to other information disclosed in this Abridged Prospectus, you and/or your renouncee(s) and/or transferee(s) (if applicable) should carefully consider the following risk factors that may materially and adversely affect the business, financial condition, results of operations and prospects of our Company before subscribing for or investing in the Rights Issue with Warrants.

6.1 Risks relating to the industry in which our Company operates

6.1.1 Exposure to volatility in global crude oil prices and prices of refined petroleum products

Our financial performance is significantly influenced by our refining margins, which are in turn affected by fluctuations in global crude oil prices (which directly affect the cost of feedstock for our refining operations) and the selling prices of our refined petroleum products. These prices are subject to a wide range of external factors, including geopolitical tensions (e.g. conflicts in oil-producing regions), supply-demand imbalances, decisions by OPEC+ on production quotas, global economic conditions, and changes in energy demand patterns.

As a single-refinery operator, our Company is particularly exposed to volatility in both crude oil prices and refined product prices. In recent periods, elevated crude oil prices and unfavourable stockholding positions have adversely impacted our margins and contributed to operating losses as mentioned in Section 5 of this Abridged Prospectus and Section 5 of Appendix I of this Abridged Prospectus. While we actively manage our procurement strategies and inventory levels, including employing short-term hedging strategies to lock in selected refinery margins, there can be no assurance that such measures will fully mitigate the impact of price volatility.

Prolonged periods of high crude oil prices may compress our refining margins if refined product prices do not adjust correspondingly. Conversely, sharp declines in crude oil prices may negatively affect inventory valuations and cash flow planning. Any adverse movement in crude oil prices and refined product prices could materially and adversely affect our profitability, liquidity, and overall financial position.

6.1.2 Regulatory compliance and environmental risk

We operate in a highly regulated industry subject to stringent national and international standards, including but not limited to requirements under the Environmental Quality Act 1974 (enforced by the Department of Environment (DOE)), the Occupational Safety and Health Act 1994 (enforced by the Department of Occupational Safety and Health (DOSH)), and various ISO certifications such as ISO 14001 (environmental management) and ISO 45001 (occupational health and safety). These frameworks govern critical aspects of our operations, including emissions control, waste management, workplace safety, and process integrity. As a producer of Mogas, we are also obliged to comply with the EURO 5M fuel specification mandated by the Malaysian government, which limits sulphur content to 10 parts per million (ppm) (which is equivalent to 10 milligrams of sulphur per kilogram of fuel).

Maintaining compliance requires ongoing investment in monitoring systems, internal audits, staff training, and upgrades to environmental and safety infrastructure. Regulatory bodies may revise existing standards or introduce new requirements from time to time. In such cases, we may be compelled to incur significant capital expenditure to enhance or upgrade our systems and infrastructure in order to ensure continued compliance.

Non-compliance with these regulations, on the other hand, can result in substantial financial and operational consequences, including fines, legal liabilities, reputational damage, and even suspension of operations and revocation of licenses. Such incidents may not only impact our financial performance, but also erode stakeholder confidence, potentially affecting our ability to secure future operating permits, regulatory approvals, and financing. Reputational damage arising from non-compliance may further constrain our access to capital markets and strategic partnerships.

Furthermore, increasing regulatory scrutiny, particularly in the context of global climate commitments and environmental, social and governance (“ESG”) expectations, may intensify pressure on our operations. This could necessitate accelerated investment in cleaner technologies, carbon mitigation strategies, and enhanced reporting mechanisms, all of which may affect our operating margins and long-term competitiveness.

6.1.3 Climate change and energy transition

Global efforts to mitigate climate change, driven by international agreements such as the Paris Agreement, are accelerating the transition toward low-carbon and renewable energy sources. The Malaysian government has also announced its intention to implement carbon-pricing mechanisms in line with its commitments under the Paris Agreement. In addition, the Malaysian government has pledged to achieve net-zero greenhouse-gas (GHG) emissions by 2050 and is in the process of drafting an economy-wide carbon-pricing framework. A pilot emissions-trading scheme is also expected to be introduced as early as 2026, according to the Ministry of Natural Resources and Environmental Sustainability.

These measures, along with regional developments including accelerating electric-vehicle (EV) adoption, sustainable aviation fuel (SAF) mandates and hydrogen-blending trials across the Association of Southeast Asian Nations (ASEAN) could dampen long-term demand for fossil fuels, including refined petroleum products, which form the core of our business. As governments and regulatory bodies intensify climate-related policies, we face increasing exposure to transition risks that may materially impact our operations and financial performance.

Key regulatory developments such as the introduction of carbon pricing mechanisms and stricter emission limits are expected to increase our operating costs. In response, we may be required to invest in decarbonisation initiatives, including carbon capture and storage technologies, biofuel blending capabilities, and renewable energy integration into our production processes. Preliminary assessments indicate that these investments could require substantial capital outlays over the next decade, depending on the pace and scope of regulatory implementation. In addition, financial institutions and stakeholders are increasingly incorporating ESG criteria into their decision-making processes, which may influence our cost of capital and market valuation.

Failure to adapt to these evolving environmental expectations may result in stranded assets, reduced access to capital, and diminished investor confidence. Although we are actively pursuing energy optimisation initiatives and evaluating and developing sustainability strategies aimed at aligning our operations with global climate goals and stakeholder priorities, there can be no assurance that these initiatives will be successfully implemented, achieve their intended outcomes, or be sufficient to mitigate the financial and operational risks associated with the energy transition.

6.1.4 Macroeconomic, political and regulatory change

We operate within Malaysia's downstream oil and gas sector, where our business operations, financial performance and prospects are exposed to macroeconomic volatility and regulatory uncertainty. Adverse developments in Malaysia's political or economic landscape such as changes in government policies and/or regulatory frameworks, or the introduction of new legislations, could materially affect our operations and financial condition.

Political transitions have historically led to revisions in fuel subsidy frameworks, fiscal incentives, and environmental policies, contributing to regulatory unpredictability. Furthermore, any amendments to the Petroleum Development Act 1974 or changes to the related downstream-licensing regulations, such as revised criteria for refining-license approvals, could significantly affect our business and financial performance. While we actively monitor policy developments through industry associations, we recognise that future regulatory shifts may materially impact the demand of our products, our operating costs, and access to foreign capital.

On the macro-financial front, BNM periodically revises foreign exchange administration policies, such as export proceeds conversion requirements and restrictions on onshore USD hedging. Any reinstatement of such controls could complicate crude oil procurement, which is largely transacted in USD, and increase our hedging costs.

In addition, broader geopolitical and economic risks, including war, terrorism, global economic downturns, and expropriation, may also pose significant challenges to our business operations and financial performance. As mentioned in Section 5 of this Abridged Prospectus, the protracted Russia-Ukraine conflict since early 2022 coupled with heightened instability across the broader Middle East region (notably the Red Sea shipping crisis that forced numerous vessels to reroute around Southern Africa) and the tightening of international sanctions on Russia had significantly disrupted crude oil supply chains up until early 2024. These disruptions had adversely impacted our financial performance over the past three (3) financial years, beginning in 2022.

For information, our Company is not directly affected by the import tariffs imposed by the United States in 2025 ("**2025 US Tariffs**"), as our Company does not export any products to the United States of America. However, our Company may be indirectly impacted by the resulting volatility in global oil prices caused by uncertainties surrounding the 2025 US Tariffs. Such fluctuations could affect refining margins and, in turn, affect our Company's business and financial performance.

6.1.5 Supply chain vulnerabilities and logistics risks

Our operations are highly dependent on the timely and efficient supply of crude oil and distribution of refined petroleum products. As a downstream oil and gas company, we are exposed to various supply chain and logistics risks that may materially and adversely affect our financial performance and operational continuity.

A portion of our crude oil is sourced from the Middle East and West Africa, and these regions are frequently exposed to geopolitical instability, maritime security threats and trade disruptions. The oil and gas supply chain are inherently complex, characterised by long transportation lead times and limited alternative routing options. As such, any geopolitical tensions in key shipping corridors may materially impact logistics by increasing freight and demurrage costs, causing shipment delays and disrupting supply continuity. For instance, the Red Sea shipping crisis in late 2023 forced numerous vessels to reroute around Southern Africa, resulting in significant logistical delays. Such disruptions affected our ability to maintain consistent operations and meet production targets, as well as increased operational costs and reduced profit margins.

In addition to feedstock, our refining operations rely on timely delivery of specialised machinery, instruments, and industrial components. Delays or shortages in these critical inputs, whether due to supplier constraints, customs bottlenecks, or global manufacturing disruptions, can hinder scheduled maintenance, delay upgrades, and reduce plant efficiency. This may lead to prolonged downtime, increased repair costs, and reduced throughput.

Furthermore, volatility in global shipping markets also significantly affects the efficiency of the oil and gas supply chain. Factors like container shortages and fluctuating freight price may amplify cost pressures and affect our financial performance.

6.1.6 Adverse weather and natural hazards

Our operations are exposed to natural hazards such as tropical storms, floods or seismic events, which may cause significant damage to our critical infrastructure including marine jetty, tank-farm bunds and elevated utility pipe-racks. Such events may necessitate immediate plant shutdowns, disrupt our production processes, and require extensive structural inspections and costly repair, potentially resulting in material adverse impact on our business, financial condition and results of operations.

Our Port Dickson refinery, located along Malaysia's west coast adjacent to the Strait of Malacca, is particularly vulnerable to seasonal monsoon downpours, tropical storms and rising sea levels. Any severe weather event, such as a 1-in-100-year storm surge, could inundate the marine jetty, tank-farm bunds and elevated utility pipe-racks, forcing an immediate plant shutdown and potentially requiring weeks of structural inspection and restoration before the plant can restart safely. For example, in May 2020, a lightning strike on an oil storage tank at our Port Dickson refinery resulted in a fire and affected our operations.

Beyond physical damage, adverse weather conditions may also disrupt logistics, delay the delivery of feedstock and essential equipment, and impair workforce mobility. These disruptions can lead to reduced throughput, increased operating costs, and missed production targets.

As climate-related risks intensify, the frequency and severity of such events may increase, posing long-term challenges to our asset resilience and operational reliability. While we continue to assess and enhance climate adaptation measures, including infrastructure hardening, emergency response protocols, and insurance coverage, there can be no assurance that they will fully prevent disruption or damage to our plants and assets in the future.

6.2 Risks relating to our business

6.2.1 Dependency on licenses, permits and certifications to operate

Our operations are highly dependent on various licenses, permits and certifications issued by regulatory authorities in Malaysia. Our key assets, equipment and facilities require these approvals to operate, in order to meet customer demand, optimise production efficiency and generate revenue.

Any failure to obtain, maintain or renew these licenses, permits and certifications, whether due to regulatory changes, non-compliance, administrative delays or other unforeseen circumstances, could result in the suspension or cessation of our operations, imposition of fines or penalties, or reputational damage. Several of our licenses, permits and certifications are also subject to periodic renewal. While our Company has not encountered any issues with obtaining, maintaining or renewing these licenses, permits and certifications in the past, we acknowledge that any regulatory changes or unforeseen circumstances in the future may affect the timing or outcome of obtaining, maintaining or renewing such licenses, permits and certifications.

In particular, non-compliance with licensing conditions or changes in regulatory requirements may lead to revocation or modification of existing approvals, which could materially and adversely affect our production capacity, financial performance and ability to meet contractual obligations. Our reliance on these regulatory approvals represents a significant operational risk, and any disruption could have a material adverse impact on our business, financial condition, and prospects. Although our Company has not experienced any revocation, suspension or refusal of licenses, permits or certifications that are critical to the continuity of our Company's refinery operations, nor has our Company been imposed with material fines or penalties related to licensing non-compliance that affected operational continuity in the past, there can be no assurance that such issues will not arise in the future.

6.2.2 Dependency on our principal customer

We derive a significant portion of our revenue from our principal customer, Shell. For the FYEs 2022, 2023 and 2024, revenue contributed by Shell amounted to approximately 70%, 81% and 84% of our total revenue, respectively. This concentration exposes us to potential risks, as any adverse change in our business relationship with Shell such as contract termination, reduction in order volumes, shifts in procurement strategy or financial distress, could materially and adversely impact our financial performance and cash flows.

We have maintained a strong and long-standing relationship with Shell, built on consistent delivery, operational reliability and strategic alignment. However, there can be no assurance that this reliance will not pose a risk to our long-term sustainability. While we are actively pursuing customer diversification strategies, including expanding our customer base, there can also be no assurance that these strategies will be successful. Any future change in our relationship with our principal customer may negatively affect our business operations, financial performance and overall financial conditions.

6.2.3 Occurrence of major health, safety, security and environment ("HSSE") incidents as well as operational disruptions

Our refining operations involve the handling of large inventories of flammable hydrocarbons, pressurised equipment and rotating machinery. These operational characteristics inherently expose us to risks including fire, explosion, toxic releases and environmental contamination.

While we have implemented comprehensive HSSE protocols and maintained rigorous operational controls, major HSSE and operational incidents may occur and, if not contained or managed promptly and effectively, they may result in loss of life, serious injuries, environmental damage and significant financial liabilities.

Insurance coverage may not be sufficient to fully compensate for all losses arising from such events. Additionally, we may be subject to litigation, regulatory enforcement actions and compensation claims from employees, customers and third parties. Substantial resources may also be required for emergency response, remediation and restoration of affected assets. All of these could adversely affect our financial condition, results of operations and reputation.

6.2.4 Breakdown or loss of critical assets

Our operations are dependent on the operating efficiency and reliability of our key assets, equipment and facilities. These include major processing units such as the long residue catalytic cracking unit ("LRCCU"), hydrogen desulfurisation unit, catalytic reforming unit, hydrogen manufacturing unit and other essential infrastructure like the marine jetty, tank-farm bunds, elevated utility pipe-racks and information technology systems. The asset integrity, operational reliability as well as safety compliance of these assets are essential to sustaining our production and meeting regulatory requirements.

To ensure continued operational performance and regulatory compliance, we carry out both scheduled and unscheduled maintenance and repairs on these critical components. These activities are integral to our operational strategy and involve substantial capital and operating expenditure. Maintenance-related downtime may result in opportunity losses, while breakdowns or non-performance of critical equipment may require extensive rectification efforts. In certain cases, the procurement of replacement parts may involve long lead times, further prolong operational outages and impacting production schedules. For example, in June 2024, an unplanned downtime occurred due to a leakage at the carbon monoxide boiler of the LRCCU, which required immediate rectification. This incident resulted in a loss of revenue for our Company for the period between 19 June 2024 and 30 June 2024 in which our Company's LRCCU was temporarily shut down. In addition, our Company also incurred approximately RM4.2 million for repair works relating to the said leakage.

Unexpected failures or extended downtime of key assets may disrupt our operations, reduce throughput, and impair our ability to meet our contractual obligations with our customers. Such events may also result in significant tangible and intangible losses, including financial costs, reputational damage, and in turn, may have a material adverse effect on our business, results of operations and cash flows.

6.2.5 Dependency on performance of contractors and suppliers

Our Company relies on multiple independent contractors and suppliers to ensure safe, reliable and efficient operations. These include specialist maintenance and turnaround contractors, scaffolding and inspection crews, and suppliers of catalysts, process chemicals, spare parts and bulk materials. In certain cases, we may not be able to control the timing, quality and reliability of the expected deliverables from them.

We depend heavily on specialist contractors to perform maintenance and inspection work during scheduled shutdowns. Delays in contractor mobilisation, inadequate skill levels or poor execution may result in extended shutdown periods for our plant, increased project costs and disruption to supply commitments. Such overruns could materially impact our operational efficiency and financial performance.

Additionally, many of our critical materials, including catalysts, chemicals and spare parts that keep our processing units running are sourced from overseas suppliers. Global shipping disruptions, trade restrictions or factory/manufacturing backlogs may delay the delivery of these essential inputs. In such cases, our refinery may be forced to reduce throughput or temporarily halt operations until the essential inputs are received, adversely affecting our production levels, revenue and customer commitments, which in turn may materially and adversely affect our business, financial condition and results of operations.

Further, our reliance on single-source vendors for certain critical items exposes us to risks of inflated pricing, supply inflexibility and potential substitution with inferior materials. Although these items represent an insignificant portion of our costs and no such issues have occurred to date, any major issues affecting these critical items without timely mitigation from alternative vendors may lead to premature equipment failure, rework, warranty disputes, safety hazards and reputational damage. Such events may materially and adversely affect our business, financial condition and results of operations.

6.2.6 Availability and fluctuating prices of materials

Our refinery operations depend on a consistent and timely supply of essential materials such as steel, specialist catalysts and chemicals to support maintenance activities, upgrades and daily operations. These inputs are often sourced from global suppliers and are subject to market dynamics beyond our control.

In periods of global market tightening, these materials may become scarce or experience significant price increases. Such disruptions can lead to extended shutdown timelines, project delays and budget overruns. Given that these material prices are largely determined by market mechanisms, our Company may have limited ability to pass on these additional costs to customers, thereby exerting pressure on our profit margins and cash flow.

Any prolonged shortage or significant cost increase in these critical inputs could materially and adversely affect our operational efficiency, financial performance and ability to meet customer commitments.

6.2.7 Adequacy of insurance coverage

While we maintain insurance coverage at levels that we believe are customary in our business to protect against various losses and liabilities, certain losses may either fall outside the scope of coverage or exceed our policy limits. This exposes our Company to substantial financial liabilities that may need to be funded from our own internal funds.

While we hold policies covering property damage, machinery breakdown and business interruption (BI), there are inherent limitations. For example, business interruption (BI) coverage is typically triggered only if physical damage occurs. Losses arising from cyber incidents, regulatory shutdowns or government-imposed restrictions may fall outside the scope of indemnity. Additionally, exposures such as regulatory fines, punitive damages and certain cyber-physical losses may either partially or wholly uninsurable.

Furthermore, some risks may not in all circumstances be insurable and we may elect to not obtain insurance to cover for certain risk due to the high premium costs for such coverage or for other commercial reasons. Moreover, a significant claim event may lead to increased premiums, higher deductibles or more restrictive policy terms in subsequent renewals, which could adversely impact our future insurance costs and cash flows.

Given the nature of our operations, which involve hazardous materials, high-pressure systems and complex infrastructure, any substantial liability arising from uninsured or insufficiently insured events could have a material adverse effect on our business, financial condition and results of operations.

6.2.8 Dependency on key management personnel and skilled workers

As a participant in a highly specialised industry, our continued growth and success are significantly reliant on the expertise and contributions of our key management personnel and skilled workers with specialised competencies. Currently, our Company is led by a team of qualified professionals with deep industry knowledge and extensive experience in the oil and gas sector.

The departure of any key personnel or the inability to attract and retain suitable successors, may adversely impact the quality of our services, our growth trajectory, and our competitive position within the industry. For information, our Company has not experienced any significant turnover of key management personnel in the past.

Safe and reliable refinery operations depend on maintaining a strong pipeline of skilled engineers, technologists and HSE professionals. Inability to attract, develop or retain these critical competencies or if attrition outpaces recruitment can weaken operational oversight, lead to maintenance backlogs and delay optimisation or growth initiatives. A reduced talent pool also increases exposure to process safety risks, as fewer qualified personnel are available to identify and mitigate emerging hazards. Prolonged staffing gaps typically result in higher recruitment and training costs, lower productivity, and ultimately, diminished profitability.

6.2.9 Financial and liquidity risks

Volatility in global financial markets continues to contribute to uncertainty in the global economic outlook. Our Company remains exposed to the risk of reduced access to funding, increased borrowing costs, and potential slowdowns in the activities of our business partners or other entities with whom we have business dealings.

Our funding strategy relies on a mix of committed bank facilities, trade finance lines, and periodic access to debt and equity markets to support our working capital needs and refinery turnarounds. During periods of global or regional financial stress, lenders may tighten credit conditions, increase borrowing costs or reduce available credit limits, while capital market investors may demand higher returns or withdraw from new issuances entirely. Restricted or more expensive access to external financing could compel our Company to defer essential maintenance, scale back growth initiatives or rely solely on internal funds. This may constrain liquidity, limit strategic flexibility and elevate refinancing risk, each of which could materially and adversely affect our business operations, financial condition and long-term prospects.

6.2.10 Foreign exchange risk

As crude oil and refined petroleum products are traded globally, our Company is exposed to foreign exchange risks, particularly fluctuations in the USD/RM exchange rate. A significant portion of our purchases, including crude feedstock and imported materials such as catalysts and chemicals, are denominated in USD, while our revenues are primarily in RM. In addition, we have borrowings denominated in USD, which further increase our exposure to currency fluctuations.

Any depreciation of the RM against the USD may result in higher procurement costs, increased financing obligations and elevated interest expenses when translated into local currency, thereby adversely affecting our profit margins, cash flow and financial position. While we may engage in hedging activities to mitigate foreign exchange risks, such measures may not fully protect against adverse currency movements. Prolonged or sharp depreciation of the RM against the USD could materially and adversely affect our financial performance, liquidity position and competitiveness.

6.2.11 Interest rate risk

Our Company is exposed to interest rate risk as our borrowings are largely subject to floating interest rates. These borrowings are linked to Secured Overnight Financing Rate (SOFR) and Kuala Lumpur Interbank Offer Rate (KLIBOR), and any increase in these rates may result in higher interest expenses. Further, any material adverse changes in the oil and gas industry and/or deterioration in our Company's credit rating may further increase our financing costs, thereby affecting our cash flow and overall financial performance.

While we may consider hedging strategies to manage interest rate exposure, such measures may not fully mitigate the impact of adverse rate movements. Sustained increases in interest rates could constrain our financial flexibility and limit our ability to fund capital expenditures or pursue growth opportunities.

6.3 Risks relating to the Rights Issue with Warrants

6.3.1 Investment and capital market risks

The market price of our Shares (including the Rights Shares) and Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuation. The respective price of our Company's securities is influenced by, among others, the prevailing market sentiments, the volatility of the stock market, the outlook of the oil and gas industry in which we operate and our financial performance.

In view of the above, there can be no assurance that the Rights Shares (together with any new Shares issued pursuant to the exercise of the Warrants) will trade at or above the TERP disclosed in Section 2.1 of this Abridged Prospectus after the completion of the Rights Issue with Warrants.

The Warrants are new instruments issued by our Company. Therefore, there can be no assurance that an active market for the Warrants will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants will be “in-the-money” during the exercise period of the Warrants.

Accordingly, there is no assurance that the market price of the Rights Shares and Warrants will be at a level that meets the specific investment objectives or targets of any subscriber of the Provisional Rights Shares with Warrants.

6.3.2 Failure or delay in the completion of the Rights Issue with Warrants

The Rights Issue with Warrants may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of our Company and the Principal Adviser, arising prior to the completion of the Rights Issue with Warrants.

Our Company has procured the Undertaking from MHIL to subscribe in full for its Rights Shares entitlement and additional Rights Shares not taken up by the other Entitled Shareholders and/or their renounee(s) by way of excess application (where applicable) to achieve the Minimum Subscription Level. The successful implementation of the Rights Issue with Warrants is dependent on the fulfilment by MHIL of its obligations under the Undertaking.

There can be no assurance that the foregoing factors or events will not cause a failure or delay in the completion of the Rights Issue with Warrants. In the event the Rights Shares with Warrants have been allotted to the successful Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable), and the Rights Issue with Warrants is subsequently cancelled or terminated other than due to a stop order issued by the SC pursuant to Section 245 of the CMSA, a return of monies to the successful applicants can only be achieved by way of cancellation of share capital under the Act.

Such cancellation may require the approval of our shareholders by way of a special resolution in a general meeting, consent of our Company's creditors (where applicable) and either the confirmation of the High Court of Malaya or a solvency statement by our Board. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

In the event the Rights Issue with Warrants cannot be implemented or completed for any reason, our Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest in respect of any application for the subscription of the Rights Shares with Warrants including the Excess Rights Shares with Warrants within 14 days after our Company becomes liable to do so, in accordance with the relevant provisions of the CMSA. If such monies are not repaid within 14 days after our Company becomes liable to do so, our Company will repay such monies in accordance with subsection 245(7) of the CMSA.

6.3.3 Potential dilution

Entitled Shareholders who do not subscribe for their entitlements under the Rights Issue with Warrants will experience dilution in their existing shareholdings in our Company as a result of the issuance of the Rights Shares arising from the subscription by other Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable). In addition, the issuance of new Shares arising from the exercise of the Warrants in the future will further dilute their existing shareholdings in our Company.

Consequently, their proportionate entitlements to any future dividends, rights, allotments and/or other distributions that our Company may declare, make or pay after the completion of the Rights Issue with Warrants will correspondingly be diluted.

7. INDUSTRY OUTLOOK AND PROSPECTS

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 4.4% in the second quarter (“2Q”) of 2025 (first quarter (“1Q”) 2025: 4.4%), driven by robust domestic demand. Household spending was higher amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salaries. Of significance, both private and public investments recorded stronger expansion, supported by the realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower commodities-related exports. This was partially offset by continued electrical and electronics (E&E) exports and robust tourism activity. At the same time, import growth was higher, driven by strong demand for capital goods, reflecting higher investment activities.

On the supply side, growth was driven by the services and manufacturing sectors. The services sector was supported by consumer-related and government services. Steady growth in domestic-oriented clusters underpinned the performance in the manufacturing sector. Overall growth was weighed down by a contraction in the mining sector amid lower commodities production. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.1% (1Q 2025: 0.7%).

Headline inflation moderated to 1.3%, while core inflation remained stable at 1.8% (1Q 2025: 1.5% and 1.8%, respectively). The moderation was largely due to lower prices for fuel such as RON97 petrol and diesel (-0.6%; 1Q 2025: 0.3%) and slower price increases for food-related items (2.2%; 1Q 2025: 2.5%), particularly fresh food and food away from home. This was partly offset by a slower price decline for mobile communication services, averaging at -12.1% (1Q 2025: -13.5%). Inflation pervasiveness, measured by the share of Consumer Price Index (CPI) items recording monthly price increases, experienced a slight decline amid softer global commodity prices (41.8%; 1Q 2025: 43.3%). Nonetheless, it remained broadly in line with the long-term average for the second quarter (2Q 2011-2019: 43.9%).

In 2Q 2025, the ringgit’s nominal effective exchange rate (NEER) appreciated by 1.5% against the currencies of Malaysia’s major trading partners. The ringgit also strengthened by 5.1% against the USD, primarily driven by broad USD weakness. This was driven by expectations of more subdued US economic growth, rising uncertainties over US trade policies and growing concerns over US fiscal sustainability. Furthermore, the ongoing coordinated efforts by the Malaysian Government and BNM, which include proactive engagements with corporates and investors, have encouraged healthy two-way flows in the domestic foreign exchange market observed during the quarter.

The ringgit exchange rate will continue to be influenced by external factors. Notwithstanding, Malaysia’s favourable economic prospects and domestic structural reforms, complemented by ongoing initiatives to encourage flows, will continue to provide support to the ringgit. BNM remains committed to ensuring the orderly functioning of the domestic foreign exchange market.

The external environment remains challenging. Uncertainty surrounding tariffs continues to linger and the impact will take time to fully materialise. Nonetheless, Malaysia is facing these challenges from a position of strength. Malaysian economy remains on solid footing, supported by resilient domestic demand, continued demand for E&E goods, and a diversified export structure. These fundamentals, alongside continued structural reforms, ensure that Malaysia is well-positioned to navigate the evolving global landscape.

Notwithstanding the external risks, economic growth is firmly supported by resilient domestic demand, serving as a buffer against global headwinds. Employment and wage growth within domestic-oriented sectors and income-related policy measures will continue to support household spending. The expansion in investment activity will be sustained by several factors. This includes the progress of infrastructure projects, continued high realisation of approved private investments and implementation of national master plans. Malaysia's export prospects could be raised by favourable outcomes from remaining trade negotiations, pro-growth policies in major economies, and robust tourism activity. The steady rollout of structural reforms, such as the implementation of announced national master plans and fiscal reform measures, is critical to boost resilience against future shocks.

Headline inflation is projected to remain moderate, averaging 1.5% – 2.3% in 2025. Notably, the headline inflation forecast range for the year was revised lower following the more moderate demand and cost outlook since the earlier projections in March 2025. Inflationary pressure from global commodity prices is expected to remain limited, contributing to moderate domestic cost conditions. In this environment, the impact of domestic policy measures on inflation is expected to remain contained.

(Source: Press Release for the Economic and Financial Developments in Malaysia in the 2Q 2025, BNM dated 15 August 2025)

7.2 Overview and outlook of the oil and gas industry in Malaysia

Malaysia's upstream oil and natural gas segment recorded positive development in 2Q 2025, with crude oil and condensate production amounting to 45.2 million barrels and natural gas reaching 640.9 billion cubic feet. Despite crude oil and condensate growth remaining negative, the smaller contraction compared to the previous quarter signals early signs of recovery and supports stability in the upstream oil and gas segment. The improved growth was supported by a recovery in crude oil production which recorded a smaller decline, negative 2.2% compared to negative 6.5% in the previous quarter. Meanwhile, production of condensate remained in negative territory, but improved to negative 1.2% from negative 2.4% in 1Q 2025. However, the production of natural gas registered a contraction of negative 8.0% (1Q 2025: -2.2%) year-on-year with total production of 640.9 billion cubic feet compared to 781.9 billion cubic feet in 1Q 2025. The Weighted Average Lifting Price (WALP) for crude oil and condensate in Malaysia declined to USD70.4 per barrel in 2Q 2025 as compared to USD76.4 per barrel in the previous quarter. This decrease was in line with the movement of global benchmark prices, with crude oil (West Texas Intermediate (WTI)) registering USD64.6 per barrel (1Q 2025: USD71.8 per barrel) and crude oil (Brent) at USD68.0 per barrel (1Q 2025: USD75.8 per barrel).

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The export value of crude petroleum and condensate recorded RM6.3 billion in 2Q 2025. Australia led the exports of crude petroleum and condensate with RM1.9 billion or 29.7% of total, followed by Thailand (26.8%) and Japan (14.6%). Meanwhile, the export value of refined petroleum products declined to RM22.7 billion compared to RM24.3 billion in the previous quarter. Indonesia emerged as the largest recipient of refined petroleum products exports amounting to RM5.0 billion or 21.9%, followed by Singapore (20.0%) and Australia (17.2%). The export value of LNG also registered a decline to RM10.4 billion in this quarter from RM15.5 billion in 1Q 2025, with 35.3% exported to Japan, followed by Republic of Korea (24.5%) and China (23.4%). The import value of crude petroleum and condensate recorded RM12.9 billion in 2Q 2025 (1Q 2025: RM13.6 billion). Saudi Arabia continued to dominate as the main country of origin for crude petroleum and condensate imports with 38.5%, followed by the United Arab Emirates (20.0%) and Sudan (7.2%). Meanwhile, the import value of refined petroleum products registered RM22.0 billion (1Q 2025: RM23.2 billion), with Singapore remaining the largest contributor (38.0%), followed by China (13.5%) and the Republic of Korea (13.2%). LNG imports amounted to RM1.5 billion (1Q 2025: RM1.9 billion) with 82.4% imported from Australia while the remaining 17.6% was from Trinidad and Tobago.

(Source: Mining of Petroleum and Natural Gas Statistics, 2Q 2025, Department of Statistics Malaysia dated 3 September 2025)

7.3 Prospects of our Company

In FYE 2024, our Company recorded revenue of approximately RM17.21 billion, representing an increase of approximately RM1.81 billion or 12% as compared to revenue of approximately RM15.40 billion in FYE 2023. The increase was primarily driven by the gradual normalisation of the plant's production and yield following the successful completion of the major turnaround exercise in 2023. The major turnaround exercise involved a full temporary shutdown of the refinery plant in order to carry out comprehensive maintenance, inspections, repairs and upgrades to the production units and equipment. However, the increase in revenue was partially offset by the weaker average product market prices and the adverse impact of the weakening USD against the RM as compared to the prior year.

Despite the improvement in revenue, the years 2024 and 2025 continued to present significant challenges for our Company. The downstream refining segment which our Company is involved in, faced persistent headwinds stemming from volatile crude oil market prices and declining crack spreads, which negatively impacted refining margins and profitability. Our financial performance also continued to be affected by unfavourable stockholding positions and the depreciation of the USD against the RM. In addition, the rising demand for non-refined fuels, such as LNG and biofuels, further undermines the demand for refined petroleum products. This placed pressure on operating rates and overall profitability for most refiners, especially in mature demand centres such as our Company.

To navigate these challenges, our Company adopted a multi-pronged strategic approach. The first was through enhancing our hedging strategy to improve resilience against crude oil price fluctuations. This approach was notably effective, especially in the second half of 2024 as our Company successfully reduced our exposure to market volatility and established more defensive positions to protect our future margins.

Diversification activities were also undertaken to expand our customer base and diversify our revenue streams. In 2024, several new sales and supply contracts were secured for refined products with PETRONAS, Petron and Five. These contracts enable revenue diversification through the supply of refined products at higher price points. Our Company also continued our strategic overseas sales, with the sale of propylene gas to Indonesia. Revenue generation aside, customer diversification also enhanced pricing flexibility and margin optimisation opportunities.

Our Company's refined products are distributed to customers through multiple delivery channels, including the multiproduct pipeline and truck loading gantry for customers in West Malaysia, as well as via maritime vessels through jetty for deliveries to East Malaysia and overseas markets. As part of our strategic focus, our Company has actively pursued an increased share of pipeline and gantry-based sales, as opposed to sales by vessel via jetty and maritime vessels. This shift provides higher margins associated with pipeline and gantry-based transactions and support a lower Scope 3 emissions profile due to reduced reliance on maritime transportation. Pipeline and gantry-based sales is also consistent with our Company's business objectives to grow our domestic market share. Currently, more than 80% of our Company's refined products are sold within Malaysia, with the remaining portion exported across Southeast Asia.

Taking these operational improvements and the outlook of the industry in which our Company operates, our Company believes that our strategic initiatives will improve the financial performance of our Company in the near term.

(Source: Management of our Company)

8. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Issued share capital

The pro forma effects of the Rights Issue with Warrants on the issued share capital of our Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM'000	No. of Shares	RM'000
As at the LPD	300,000,000	300,000	300,000,000	300,000
No. of Rights Shares to be issued	198,717,950	⁽¹⁾ 110,169	300,000,000	⁽¹⁾ 167,110
	498,717,950	410,169	600,000,000	467,110
No. of new Shares to be issued arising from full exercise of the Warrants	99,358,975	⁽²⁾ 142,640	150,000,000	⁽²⁾ 215,340
Enlarged issued share capital	598,076,925	552,809	750,000,000	682,450

Notes:

(1) Based on the issue price of RM0.78 per Rights Share and after accounting for the creation of warrants reserve and deducting the estimated expenses relating to the Rights Issue with Warrants of RM1.55 million.

(2) Based on the exercise price of RM1.00 per Warrant and after accounting for the reversal of warrants reserve.

8.2 Substantial shareholders' shareholding

The pro forma effects of the Rights Issue with Warrants on the shareholdings of the substantial shareholders of our Company based on the Register of Substantial Shareholders of our Company as at the LPD are as follows:

Minimum Scenario

Substantial shareholder	As at the LPD				(I)				(II)				
	Direct		Indirect		Direct		Indirect		Direct		Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
MHIL	153,069,002	51.02	-	-	351,786,952	70.54	-	-	*451,145,927	*75.43	-	-	
Heng Yuan Holdings Limited ("HYHL")	-	-	(1)153,069,002	51.02	-	-	(1)351,786,952	70.54	-	-	-	(1)*451,145,927	*75.43
Shandong Hengyuan Petrochemical Company Limited ("SHPCL")	-	-	(2)153,069,002	51.02	-	-	(2)351,786,952	70.54	-	-	-	(2)*451,145,927	*75.43

Maximum Scenario

Substantial shareholder	As at the LPD				(I)				(II)				
	Direct		Indirect		Direct		Indirect		Direct		Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
MHIL	153,069,002	51.02	-	-	306,138,004	51.02	-	-	382,672,505	51.02	-	-	
HYHL	-	-	(1)153,069,002	51.02	-	-	(1)306,138,004	51.02	-	-	-	(1)382,672,505	51.02
SHPCL	-	-	(2)153,069,002	51.02	-	-	(2)306,138,004	51.02	-	-	-	(2)382,672,505	51.02

Notes:

* *MHIL has provided its written irrevocable undertaking not to exercise any of its Warrants after the completion of the Rights Issue with Warrants if the exercise of such number of Warrants will result in our Company not being able to comply with the Public Spread Requirement.*

(1) *Deemed interested by virtue of its interest in MHIL pursuant to Section 8(4) of the Act.*

(2) *SHPCL, being the holding company of HYHL, is deemed interested in our Company by virtue of its 100% equity interest in HYHL, which in turn is the holding company of MHIL pursuant to Section 8(4) of the Act. SHPCL is regarded as a state-owned enterprise (SOE) of the People's Republic of China.*

8.3 NA per Share and gearing

For illustrative purposes only, based on the latest unaudited statement of financial position of our Company as at 30 June 2025 and assuming that the Rights Issue with Warrants had been effected on that date, the pro forma effects of the Rights Issue with Warrants on the audited NA per Share and gearing of our Company are as follows:

Minimum Scenario

		(I)	(II)
	Unaudited as at 30 June 2025	After the Rights Issue with Warrants	After (I) and assuming full exercise of the Warrants
	(RM'000)	(RM'000)	(RM'000)
Share capital	300,000	⁽⁴⁾ 410,169	⁽⁶⁾ 552,809
Retained earnings	633,140	633,140	633,140
Cash flow hedge reserve	(26,856)	(26,856)	(26,856)
Cost of hedging reserve	(10,542)	(10,542)	(10,542)
Exchange translation reserve	(128,888)	(128,888)	(128,888)
Warrants reserve	-	⁽⁵⁾ 43,281	⁽⁶⁾ -
Total equity attributable to owners of our Company/NA	766,854	920,304	1,019,663
No. of HRC Shares in issue ('000)	300,000	498,718	598,077
NA per Share (RM) ⁽¹⁾	2.56	1.85	1.70
Total borrowings (excluding lease liabilities)	1,470,151	1,470,151	1,470,151
Cash and cash equivalents (including restricted cash)	505,604	659,054	758,413
Gearing (times) ⁽²⁾	1.92	1.60	1.44
Net gearing (times) ⁽³⁾	1.26	0.88	0.70

Notes:

(1) *Calculated based on total equity attributable to owners of our Company (i.e. NA) over number of HRC Shares in issue.*

(2) *Calculated based on total borrowings (excluding lease liabilities) over total equity.*

(3) *Calculated based on total net borrowings (comprises the total borrowings net of cash and cash equivalents) over total equity.*

(4) *Based on the issue price of RM0.78 per Rights Share and after accounting for the creation of warrants reserve and deducting the estimated expenses relating to the Rights Issue with Warrants of RM1.55 million.*

(5) *Based on the theoretical fair value of the Warrants as at the LPD of RM0.4356 per Warrant.*

- (6) Assuming the Warrants are exercised into new HRC Shares at the exercise price of RM1.00 per Warrant and the corresponding reclassification of the warrants reserve amount to the share capital account.

Maximum Scenario

		(I)	(II)
	Unaudited as at 30 June 2025	After the Rights Issue with Warrants	After (I) and assuming full exercise of the Warrants
	(RM'000)	(RM'000)	(RM'000)
Share capital	300,000	⁽⁴⁾ 467,110	⁽⁶⁾ 682,450
Retained earnings	633,140	633,140	633,140
Cash flow hedge reserve	(26,856)	(26,856)	(26,856)
Cost of hedging reserve	(10,542)	(10,542)	(10,542)
Exchange translation reserve	(128,888)	(128,888)	(128,888)
Warrants reserve	-	⁽⁵⁾ 65,340	⁽⁶⁾ -
Total equity attributable to owners of our Company/NA	766,854	999,304	1,149,304
No. of Shares in issue ('000)	300,000	600,000	750,000
NA per Share (RM) ⁽¹⁾	2.56	1.67	1.53
Total borrowings (excluding lease liabilities)	1,470,151	1,470,151	1,470,151
Cash and cash equivalents (including restricted cash)	505,604	738,054	888,054
Gearing (times) ⁽²⁾	1.92	1.47	1.28
Net gearing (times) ⁽³⁾	1.26	0.73	0.51

Notes:

- (1) Calculated based on total equity attributable to owners of our Company (i.e. NA) over number of HRC Shares in issue.
- (2) Calculated based on total borrowings (excluding lease liabilities) over total equity.
- (3) Calculated based on total net borrowings (comprises the total borrowings net of cash and cash equivalents) over total equity.
- (4) Based on the issue price of RM0.78 per Rights Share and after accounting for the creation of warrants reserve and deducting the estimated expenses relating to the Rights Issue with Warrants of RM1.55 million.
- (5) Based on the theoretical fair value of the Warrants as at the LPD of RM0.4356 per Warrant.
- (6) Assuming the Warrants are exercised into new HRC Shares at the exercise price of RM1.00 per Warrant and the corresponding reclassification of the warrants reserve amount to the share capital account.

8.4 Earnings and EPS

As the Rights Issue with Warrants is only expected to be completed in the fourth quarter of 2025, the Rights Issue with Warrants is not expected to have any material effect on the earnings of our Company for the FYE 2025.

However, there will be a dilution in EPS as a result of the issuance of the Rights Shares. The EPS is expected to be further diluted should there be any exercise of the Warrants.

Notwithstanding, the Rights Issue with Warrants is expected to contribute positively to the future earnings of our Company via the utilisation of proceeds as set out in Section 4 of this Abridged Prospectus.

8.5 Convertible securities

As at the LPD, our Company does not have any convertible securities in issue.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS

9.1 Working capital and sources of liquidity

Our Company's working capital is funded through existing cash and bank balances, cash generated from operating activities and external sources of funds such as credit facilities and medium-term notes ("MTNs") facility from financial institutions.

As at 31 August 2025, our Company's cash and bank balances (excluding restricted cash held in a debt service accrual account associated with the MTNs and revolving credits) stood at approximately RM81.14 million, a decrease of approximately RM347.31 million from approximately RM428.45 million as at 30 June 2025. This was primarily due to the timing of trade settlements and utilisation of funds for short-term obligations, including higher payment of crude oil purchases and other operating expenses made during the period. The timing mismatch between trade receivables collections and cash outflows also contributed to the temporary reduction in cash. Despite this, our liquidity remains supported by approximately RM768.14 million in trade receivables as at 31 August 2025 (RM555.85 million as at 30 June 2025) and our unutilised credit facilities of approximately RM84.48 million as at 31 August 2025.

Although our Company was in a net current liabilities position as at 31 December 2024 and 30 June 2025, this reflects the nature of our operating cycle, where trade payables are typically settled over a period of up to 90 days while trade receivables are collected within 30 days. Our Company expects to meet its financial obligations through trade receivables of approximately RM768.14 million as at 31 August 2025 (representing expected near-term cash flows), its existing cash and bank balances, cash generated from operating activities (including its inventory recovery), available credit facilities, and the proceeds to be raised from the Rights Issue with Warrants. Our Company's operating cycle, where trade payables are typically settled over a period of up to 90 days, also supports our ability to manage short-term obligations. Apart from these sources, our Company does not have access to other material unused sources of liquidity as at 31 August 2025.

After considering the above as well as the material commitments as disclosed in Section 9.4 of this Abridged Prospectus, our Board confirms that our Company has sufficient working capital for a period of 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at 31 August 2025 (being a date no earlier than 60 days prior to the date of this Abridged Prospectus), our Company's total outstanding borrowings (all of which are interest-bearing) are as follows:

Borrowings	Outstanding amount
	(RM'000)
<u>Short-term borrowings</u>	
<i>Secured</i>	
MTNs and revolving credits	1,047,295
<i>Unsecured</i>	
Other short-term loans	59,132
<u>Long-term borrowings</u>	
<i>Secured</i>	
MTNs	366,650
Total	1,473,077

The currency exposure profile of our Company's borrowings as at 31 August 2025 is as follows:

Currency	Amount in foreign currency ('000)	Amount in RM ('000)
RM	1,105,967	1,105,967
USD	86,911	367,110
Total		1,473,077

Note:

(1) Based on Malayan Banking Berhad's ("**MBB**") exchange rate of USD1:RM4.2240, being the middle rate published on MBB's website as at 29 August 2025.

The borrowings of our Company are mainly used for working capital requirements of our Company which include purchase of feedstocks and funding of our planned upgrade and maintenance projects for our refinery plant.

As at 31 August 2025, we do not have any non-interest-bearing borrowings from local or foreign financial institutions.

There has not been any default on payments of either interest and/or principal sums on any borrowings throughout the past one (1) financial year and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

As at the LPD, our Board confirms that there is no contingent liability incurred or known to be incurred by our Company which, upon becoming enforceable, may have a material and adverse impact on the financial position of our Company.

9.4 Material commitments

Save as disclosed below, as at 31 August 2025, we do not have any other material commitment contracted or known to be contracted by our Company which may have a material impact on the profits or NA of our Company:

	<u>RM'000</u>
Capital expenditure ⁽¹⁾ :	
• Approved and contracted for	29,944
• Approved but not contracted for	17,194
Total	<u>47,138</u>

Note:

(1) These material commitments mainly represent approved capital expenditure for the following:

- (i) engineering, procurement, construction and commissioning of a new air separation unit (ASU) to produce high-purity gases - 99.9% Nitrogen and 99.5% Oxygen - for internal consumption. This initiative supports the plant's strategic shift towards self-sufficiency and enhanced operational flexibility, ultimately reducing reliance on external gas suppliers, and is targeted to be completed by the third quarter of 2026; and
- (ii) other major planned capital investments such as the refurbishment of jetty pipelines, infrastructure upgrades, refurbishment and enhancement of crude tank storage facilities, ongoing structural integrity improvements and upgrades across the refinery plant. These initiatives are targeted to be completed by the third quarter of 2026. For avoidance of doubt, our Company's processing of the crude oil purchased using the net proceeds from the Rights Issue with Warrants will not be contingent upon these major planned capital investments as such crude oil will be processed within our existing refinery capacity and will not involve any expansion beyond our current refinery capacity of up to 156,000 barrels per day.

We expect to fund the abovementioned material commitments through a combination of our internal funds and/or bank borrowings.

9.5 Material transactions

Our Board confirms that, save for the Rights Issue with Warrants, as at the LPD, there are no other transactions which may have a material effect on our Company's operations, financial position and results since our Company's most recent announced unaudited interim financial results for the six (6)-month FPE 30 June 2025.

10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS AS WELL AS EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU, YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR/HIS RIGHTS ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU, YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY. IN ACCORDANCE WITH SECTION 232(2) OF THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

ACCEPTANCE OF AND/OR PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS WHICH DO NOT CONFORM STRICTLY TO THE TERMS OF THIS ABRIDGED PROSPECTUS, THE RSF OR THE NOTES AND INSTRUCTIONS PRINTED THEREIN OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

10.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants that you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the Provisional Rights Shares with Warrants, as well as to apply for the Excess Rights Shares with Warrants if you choose to do so.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this Abridged Prospectus and the Rights Shares with Warrants Subscription File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 10.5.4 and 10.8.5 of this Abridged Prospectus for the procedures for acceptance to subscribe for the Provisional Rights Shares with Warrants as well as to apply for the Excess Rights Shares with Warrants, if you choose to do so.

This Abridged Prospectus and the RSF are also available from our registered office, our Share Registrar or on Bursa Malaysia Berhad's website at <https://www.bursamalaysia.com>.

10.2 NPA

The Provisional Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Rights Shares with Warrants will be by book entries through the CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You, your renounee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making applications to subscribe for the Provisional Rights Shares with Warrants and/or to apply for Excess Rights Shares with Warrants.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Rights Shares with Warrants as well as for the application and payment for the Excess Rights Shares with Warrants is at **5:00 p.m. on Friday, 17 October 2025, being the Closing Date.**

We will make an announcement on Bursa Securities regarding the results of the allocation of the Rights Shares with Warrants after the Closing Date.

10.4 Methods of acceptance and application

You may subscribe for the Provisional Rights Shares with Warrants as well as apply for the Excess Rights Shares with Warrants, if you choose to do so, using either of the following methods:

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
Electronic Application ⁽¹⁾	All Entitled Shareholders
Bursa Anywhere ⁽²⁾	All Entitled Shareholders who have registered for Bursa Anywhere
NRS	Authorised Nominee who has subscribed for NRS with Bursa Depository

Notes:

(1) *The following surcharge per Electronic Application via ATM will be charged by the following Participating Financial Institutions:*

- *Public Bank Berhad – RM4.00; and*
- *Affin Bank Berhad – RM4.00.*

The following processing fee per Electronic Application via internet financial services website will be charged by the following Participating Financial Institutions:

- *Public Bank Berhad (<https://www.pbebank.com>) – RM4.00; and*
- *Affin Bank Berhad (<https://www.affinalways.com>) – RM4.00.*

(2) *A processing fee of RM2.00 per Electronic Application via Bursa Anywhere will be charged.*

10.5 Procedure for full acceptance and payment**10.5.1 By way of RSF**

Acceptance of and payment for the Provisional Rights Shares with Warrants must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances and/or payments which do not strictly conform to the terms of this Abridged Prospectus, the NPA and RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board. Our Share Registrar will not contact you, your renounee(s) and/or transferee(s) (if applicable) for such acceptances.

If you, your renounee(s) and/or transferee(s) (if applicable) wish to accept either in full or in part of your entitlement to the Provisional Rights Shares with Warrants, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Thereafter, please send each of the completed and signed RSF together with remittance in RM for the full and exact amount payable for the Provisional Rights Shares with Warrants accepted using the reply envelope enclosed with this Abridged Prospectus by **ORDINARY POST, COURIER** or **DELIVERY BY HAND** (at your own risk) to our Share Registrar at the following address:

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
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so as to arrive **not later than 5:00 p.m. on the Closing Date.**

If you, your renounee(s) and/or transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you, your renounee(s) and/or transferee(s) (if applicable) may obtain additional copies from your/ their stockbrokers, our Share Registrar at the address stated above, at our registered office or from the website of Bursa Malaysia Berhad at <https://www.bursamalaysia.com>.

One (1) RSF can only be used for acceptance of Provisional Rights Shares with Warrants standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Rights Shares with Warrants standing to the credit in more than one (1) CDS Account(s). If successful, the Provisional Rights Shares with Warrants subscribed for will be credited into the respective CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

The minimum number of Provisional Rights Shares with Warrants that can be subscribed for or accepted is one (1) Rights Share. However, you, your renounee(s) and/or transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and Warrants comprises 100 Rights Shares and 100 Warrants, respectively. Fractions of Rights Shares with Warrants, if any, shall be disregarded and/or dealt with in such manner as our Board shall in its absolute discretion deems fit or expedient and in the best interest of our Company.

If the acceptance of and payment for the Provisional Rights Shares with Warrants allotted to you, your renounee(s) and/or transferee(s) (if applicable) is not received by our Share Registrar **on or by 5:00 p.m. on the Closing Date**, you, your renounee(s) and/or transferee(s) (if applicable) will be deemed to have declined the Provisional Rights Shares with Warrants and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Provisional Rights Shares with Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants to the applicants who have applied for the Excess Rights Shares with Warrants in the manner as set out in Section 10.8.1 of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MUST BE MADE PAYABLE TO "HRC RIGHTS ACCOUNT" CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER, SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR AT THE ADDRESS SET OUT ABOVE, ON OR BY 5:00 P.M. ON THE CLOSING DATE.

THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS ACCEPTED. ANY ACCEPTANCE ACCOMPANIED BY EXCESS OR INSUFFICIENT PAYMENT OR PAYMENT OTHER THAN IN THE MANNER STATED ABOVE MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE PAYMENTS MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS SHARES WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS ISSUE WITH WARRANTS WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU, YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) BY ORDINARY POST TO THE ADDRESS LAST SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

Effective 1 January 2024, the Inland Revenue Board of Malaysia (“IRBM”) has terminated the usage of physical revenue stamp as a stamping method at all IRBM stamping duty counters and district stamping offices.

In connection thereto, the application and payment of stamp duty of RM10.00 for the RSF is to be performed online via IRBM system, namely the Stamp Assessment and Payment System (“STAMPS”) at <https://stamps.hasil.gov.my/stamps/>. The payment of stamp duty must be made via the same link. Thereafter, the Stamp Certificate will be issued via STAMPS as a proof of payment of stamp duty.

You, your renounee(s) and/or transferee(s) (if applicable) must attach a copy of the Stamp Certificate to the RSF before submitting the RSF to our Share Registrar.

Alternatively, a stamp duty of RM10.00 and processing fee of RM5.00 can be made in Banker’s Draft in favour of “Boardroom Share Registrars Sdn. Bhd.” with this RSF submitted to the Share Registrar. The Share Registrar will assist to remit the said amount to IRBM. **PLEASE ATTACH A COPY OF THE STAMP CERTIFICATE WITH THIS RSF, FAILING WHICH YOUR APPLICATION WILL BE REJECTED without notification from the Share Registrar.** Entitled Shareholders, their renounee(s) and/or transferee(s) (if applicable) should note that any RSF and remittances lodged with the Share Registrar shall be irrevocable and shall not be subsequently withdrawn. **IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED TO YOU WITHOUT INTEREST. ANY REFUND WILL BE CREDITED DIRECTLY INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY, THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS LAST SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.**

ALL RIGHTS SHARES WITH WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES WITH WARRANTS INTO THE CDS ACCOUNTS OF THE SUCCESSFUL APPLICANTS. NO PHYSICAL CERTIFICATES IN RESPECT OF THE RIGHTS SHARES OR WARRANTS WILL BE ISSUED.

10.5.2 By way of Electronic Application

All Entitled Shareholders who have bank account(s) with the Participating Financial Institutions may apply for the Rights Issue with Warrants by way of Electronic Application.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs and internet financial services website of the Participating Financial Institutions (where relevant) before making an Electronic Application.

The procedures for Electronic Applications at the ATMs and internet financial services website of the Participating Financial Institutions are set out on the respective ATM screens and internet financial services website of the relevant Participating Financial Institutions (“Steps”). For illustration purposes, the procedures for Electronic Applications are set out below. **PLEASE READ THE TERMS OF THIS ABRIDGED PROSPECTUS, THE STEPS AND THE TERMS AND CONDITIONS OF ELECTRONIC APPLICATIONS SET OUT IN SECTION 10.5.2(II) OF THIS ABRIDGED PROSPECTUS BEFORE MAKING AN ELECTRONIC APPLICATION.**

You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution or with access to internet financial services with Public Bank Berhad at <https://www.pbebank.com> or Affin Bank Berhad at <https://www.affinalways.com>.

You are advised to read and understand this Abridged Prospectus **BEFORE** making the application.

You shall apply for the Rights Issue with Warrants via the ATM or internet financial services website of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are as set out in Section 10.5.2(ii) of this Abridged Prospectus.

Upon the completion of your Electronic Application transaction via ATM, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or our Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

For application via internet financial services website, a message from the Participating Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Provisional Rights Shares with Warrants is being made. Subsequently, the Participating Financial Institutions shall confirm that the said application has been completed, via the confirmation screen in respect of your application ("**Confirmation Screen**") on their website. You are advised to print out the Confirmation Screen for your reference and record.

You must have a CDS Account to be eligible to use the Electronic Application. Invalid, nominee or third-party CDS Accounts will not be accepted.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTIONS, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

(i) Participating Financial Institutions

Electronic Applications may be made through an ATM or internet financial services websites of the following Participating Financial Institutions and their branches within Malaysia:

- Public Bank Berhad (<https://www.pbebank.com>); and
- Affin Bank Berhad (<https://www.affinalways.com>)

(ii) Terms and conditions of Electronic Application

The Electronic Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Participating Financial Institutions and those appearing therein and below:

- (a) you are required to confirm the following statements (by pressing pre-designated keys or buttons) and undertake that the following information given are true and correct:
 - (aa) you have attained 18 years of age as at the Closing Date;

- (bb) you have read this Abridged Prospectus and understood and agreed with the terms and conditions of the application; and
- (cc) you give consent to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institutions, their respective agents and any third party involved in facilitating the application/ refund, as the case may be, of information pertaining to yourself, your Electronic Application and/or your account with the Participating Financial Institutions and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/ refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you complete all the steps required by the Participating Financial Institution. By doing so, it is considered that you have confirmed each of the above statements as well as given consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of Financial Services Act 2013 and Section 45 of the SICDA) to the disclosures as described above;

- (b) you confirm that you are not applying for the Provisional Rights Shares with Warrants as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner;
- (c) you must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the ATM or screen of financial services websites of the Participating Financial Institutions through which the Electronic Application is being made, will be rejected;
- (d) you irrevocably agree and undertake to subscribe for or purchase and to accept the number of Provisional Rights Shares with Warrants applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys or buttons) of the number of Provisional Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Provisional Rights Shares with Warrants that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institutions;

- (e) by making and completing your Electronic Application, you, if successful, request and authorise our Company to credit the Provisional Rights Shares with Warrants allotted to you into your CDS Account;
- (f) you acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository and you irrevocably agree that if:
 - (aa) our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or

- (bb) any data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you will be deemed not to have made an Electronic Application and you will not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository for the Provisional Rights Shares with Warrants applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom;

- (g) all of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institutions at the time you make your Electronic Application shall be deemed to be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institutions, Bursa Depository and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information, shall be entitled to rely on the accuracy thereof;
- (h) you must ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository;
- (i) by making and completing an Electronic Application, you agree that:
 - (aa) in consideration of our Company agreeing to allow and accept your application for the Provisional Rights Shares with Warrants via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs and financial services websites, your Electronic Application is irrevocable and cannot be subsequently withdrawn;
 - (bb) our Company, the Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or any cause beyond our control;
 - (cc) notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for the Provisional Rights Shares with Warrants for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Provisional Rights Shares with Warrants; and
 - (dd) you agree that in relation to any legal action, proceedings or dispute arising out of or in relation to the contract between the parties and/or Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia;

- (j) our Share Registrar, acting on the authority of our Board, reserves the right to reject applications which do not conform to these terms or instructions; and
- (k) notification on the outcome of your application for the Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address last shown on Bursa Depository's record at your own risk within the timelines as follows:
 - (aa) for successful application – a notice of allotment will be despatched within eight (8) Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
 - (bb) for unsuccessful/partially successful application – the full amount or the surplus of the application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 10.5.2(ii) of this Abridged Prospectus and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address last shown on Bursa Depository's record at your own risk.

10.5.3 By way of Bursa Anywhere

Only Entitled Shareholders who are individuals and have registered for Bursa Anywhere and subscribed for eDividend service with Bursa Anywhere, may apply for the Rights Issue with Warrants by way of Bursa Anywhere.

The procedures for submitting an application by way of Bursa Anywhere are set out on the Bursa Anywhere mobile application screen. Please read carefully and follow the terms of this Abridged Prospectus, the procedures, notices and terms for Bursa Anywhere, and the terms and conditions as set out in Section 10.5.3(ii) of this Abridged Prospectus before making an application by way of Bursa Anywhere.

Upon completion of your application transaction via Bursa Anywhere, you will receive a push notification from Bursa Anywhere and a message in your Bursa Anywhere account inbox on your application for the Rights Issue with Warrants. The notification message is only a record of the completed transaction via Bursa Anywhere.

(i) Procedures for submitting an application through Bursa Anywhere

- (a) Launch the Bursa Anywhere application on your mobile phone and login using your username and password.
- (b) Upon successful login, choose "My Services" at the bottom of the screen and then select "eRights".
- (c) Next, select "Submit Application", and you will see a screen that informs you to agree with the terms and conditions and notices that governs your Rights Shares with Warrants application via Bursa Anywhere.

- (d) Click on “Terms & Conditions and Notices”. You must read and understand the terms and conditions and notices before you click “Agree” to proceed to the next page.
- (e) Click “Agree” to proceed to a landing page for you to select the rights securities that you would like to subscribe to.
- (f) Select the Rights Issue with Warrants that you want to apply.
- (g) You may click on “Prospectus” to view the content of this Abridged Prospectus.
- (h) You are also required to click on “Declaration”. Read and understand the clauses set out under the “Declaration”.
- (i) Upon completion of the above, at the bottom of the Rights Issue with Warrants detail page, you are required to swipe the toggle to the right to indicate that you have read and understood this Abridged Prospectus, as well as accepted and made the declarations stated in “Declaration”.
- (j) Next, select the CDS Account for your Rights Issue with Warrants application and click “NEXT”.
- (k) You will come to a page for you to fill up for your entitled Provisional Rights Shares with Warrants and Excess Rights Shares with Warrants application. You have the options to select either “Entitled only”, “Excess only” or “Entitled & Excess” for your Rights Shares with Warrants application.
- (l) Select the subscription type, enter the number of units that you would like to subscribe. Click “NEXT” once you complete the required information.
- (m) You will come to a “Preview” page, where it displays the following information of your application:
 - units and Ringgit amount of your Rights Issue with Warrants application;
 - subscription fee (charged by Bursa Malaysia Berhad);
 - tax, if applicable; and
 - stamp duty, if applicable.
- (n) Check the summary information on the “Preview” page. Click “CONFIRM” at the bottom of the same page, if the information is correct.
- (o) Next, you will receive a six (6)-digit SMS Transaction Authorisation Code (TAC) verification code via your mobile phone (the mobile number that you registered with Bursa Anywhere).
- (p) You are required to key-in and submit the verification code.
- (q) Upon successful validation of the verification code, you will be led to the Payment Gateway for payment.

- (r) You are required to select the bank for your Rights Issue with Warrants application payment. **(IMPORTANT NOTE: You are required to use the bank account that you have registered for Bursa Depository's eDividend service ("eDividend Bank Account"). Your subscription will be rejected if another bank account is used for payment. You will be notified if your application is rejected. Your application monies will be refunded within three (3) Market Days, to the said bank account used for payment)**
- (s) You will be brought to your selected bank login page for payment.
- (t) Once payment is made successfully via your selected bank, you will be brought to the "Thank You" page, which displays your bank transaction details.
- (u) Click "DONE" at the bottom, you will be led back to the My Service landing page.
- (v) You will receive a push notification message in your Bursa Anywhere account inbox.
- (w) You can made multiple applications during the application period subject to the maximum quantity that you are entitled.

(ii) Terms and conditions of applications via Bursa Anywhere

- (a) The electronic copy of this Abridged Prospectus is available at the "Prospectus" landing page of "Corporate Announcement" at Bursa Malaysia Berhad's website at <https://www.bursamalaysia.com>, and can be accessed via the hyperlink in Bursa Anywhere. You agree to have read this Abridged Prospectus prior to making an investment decision and should make the investment decision based on this Abridged Prospectus rather than on advertising or promotional materials. The Rights Issue with Warrants is offered by our Company solely on the basis of the information contained in this Abridged Prospectus.
- (b) Our Company has appointed Bursa Depository to provide eRights Services via Bursa Anywhere. Bursa Depository is not responsible for, has not authorised and shall not be deemed to have authorised the contents of the electronic copy of this Abridged Prospectus and therefore, shall not have any liability in respect of the electronic copy of this Abridged Prospectus or the application submitted by way of Bursa Anywhere.
- (c) The physical printed copy of this Abridged Prospectus is available upon request from our Company at the location specified in this Abridged Prospectus during the offer period.
- (d) Payment for the Rights Issue with Warrants application via Bursa Anywhere is required to be made from your eDividend Bank Account. Failing which, the request of the eRights application will be rejected.
- (e) By submitting an eRights application via Bursa Anywhere, you confirm that:
 - (aa) you have read and understood the contents of this Abridged Prospectus;

- (bb) you have read and agreed to be bound by the terms and conditions and notices for application of Rights Issue with Warrants by way of Bursa Anywhere and the terms and conditions of Bursa Anywhere;
- (cc) you are eligible to apply for the Rights Issue with Warrants in Malaysia or in jurisdictions where the Rights Issue with Warrants are intended to be available;
- (dd) you irrevocably consent to the receipt of any cash payment or refund in relation to the application by way of Bursa Anywhere to be made via direct credit into the eDividend Bank Account; and
- (ee) you agree to give irrevocable consent to Bursa Depository to disclose your information, including bank account information, which are necessary or expedient to the relevant entities involved in the application process, and to the relevant entities involved in facilitating the payment of any cash payments or refunds via direct credit into e-Dividend Bank Account in relation to the application by way of Bursa Anywhere.
- (f) Applications shall close at the Closing Date or such later time and date as our Board may in its absolute discretion decide and announce.
- (g) An application is deemed to be received by Bursa Anywhere only upon its completion, that is, when you have:
 - (aa) successfully made full subscription payment via the payment gateway; and
 - (bb) received an email indicating that the application has been submitted to our Company and/or our Share Registrar.
- (h) You are advised to print out and retain a copy of the Transaction Records for record purposes. The Transaction Records are only a record of the completed transactions received at Bursa Anywhere, and not a record of the receipt of the application or any data relating to such an application by our Company or our Share Registrar. No application or monies can be accepted electronically in respect of the securities offered once the offer closes on the Closing Date.
- (i) Upon your receipt of the Transaction Record, cancellation of the application via Bursa Anywhere will not be allowed.
- (j) Bursa Depository shall not be liable for any application made through any alternative methods of application.
- (k) If Bursa Depository has any reason to believe that the electronic copy of this Abridged Prospectus or processes for collection and handling of applications via Bursa Anywhere have been tampered with, Bursa Depository may reject the application and Bursa Depository shall not be liable for such rejection.
- (l) No securities will be allotted or issued on the basis of this Abridged Prospectus after the Closing Date. Bursa Depository, Bursa Securities and Bursa Malaysia Berhad do not guarantee any allotment of securities as a result of the application via Bursa Anywhere and are not responsible for any non-allotment of the Rights Shares with Warrants or part thereof by our Company pursuant to the application via Bursa Anywhere.

- (m) Any request for any refunds related to the allotment of Rights Shares with Warrants must be referred to our Company.
- (n) No refund of any subscription fee charged by Bursa Depository and applicable tax (if any), will be made to you if your application is rejected by our Share Registrar.
- (o) The electronic copy of this Abridged Prospectus made available on Bursa Malaysia Berhad's website at <https://www.bursamalaysia.com> after the Closing Date is made available solely for informational and archiving purposes.
- (p) Risk of submitting an application via Bursa Anywhere:
 - (aa) By submitting an application via Bursa Anywhere, you agree to assume the risks associated with conducting transactions online, including risks of electrical, electronic, technical and mobile-related faults and breakdowns, faults with mobile applications, problems occurring during data transmission, mobile security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of Bursa Depository, and/or our Company. You acknowledge that the aforementioned events may result in (i) interruption, transmission blackout or delayed transmission; and/or (ii) incorrect data transmission due to the public nature of the internet and agrees to bear such risks.

 You agree that neither Bursa Depository, Bursa Securities, Bursa Malaysia Berhad, our Company nor our Share Registrar shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data, breakdown or failure in communication facilities or due to any cause beyond their control; and
 - (bb) If, Bursa Depository, our Company and/or our Share Registrar do not receive your application and/or the relevant payment, or in the event that any data relating to the application is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed not to have made an application. In such an event, you shall have no claim whatsoever against Bursa Depository, Bursa Securities, Bursa Malaysia Berhad, our Company and/or our Share Registrar, in relation to the purported application.
- (q) Instead of submitting an application via Bursa Anywhere, you may alternatively submit application through the existing manual paper-based application method as well as other means of application specified in this Abridged Prospectus.
- (r) In the event a supplementary Abridged Prospectus is issued, you are entitled to revise or withdraw your application by contacting our Share Registrar directly. Bursa Depository or Bursa Anywhere will not be able to facilitate any revision or withdrawal of the application in such circumstances.

- (s) Bursa Depository is committed to protecting the security of your personal information. It uses a variety of security technologies and procedures, to help protect the confidentiality and security of your personal information provided through Bursa Anywhere, from unauthorised access, use, or disclosure. In addition, Bursa Depository has put in place appropriate measures to minimise the risks of unauthorised access and to maintain the security of the information it collects through Bursa Anywhere.

10.5.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominee(s). Only Entitled Shareholders who are Authorised Nominee(s) and who have subscribed for NRS with Bursa Depository may apply for the Rights Issue with Warrants via NRS.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and user guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(i) Steps for applications via NRS

- (a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this Abridged Prospectus, the RSF nor the NPA by post.
- (b) Instead, this Abridged Prospectus and the Rights Shares with Warrants Subscription File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominee(s) in the manner as set out in Bursa Depository's user guide for NRS, on the next Market Day after the Entitlement Date.
- (c) A notification of the delivery of this Abridged Prospectus and the Rights Shares with Warrants Subscription File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (d) You are advised to read carefully, understand and follow the terms of this Abridged Prospectus, **BEFORE** making the application.
- (e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue with Warrants.
- (f) To apply for the Provisional Rights Shares with Warrants, you will be required to submit your subscription information via Rights Shares with Warrants Subscription File which is to be prepared based on the format as set out in Bursa Depository's user guide for NRS.
- (g) Once completed, you will need to submit the Rights Shares with Warrants Subscription File to Bursa Depository at any time daily before 5:00 p.m., but in any event no later than the Closing Date.

- (h) Together with the Rights Shares with Warrants Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:
- (aa) confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this Abridged Prospectus, the contents of which you have read, understood and agreed; and
 - (bb) consent to the disclosure of your information to facilitate electronic refunds where applicable.
- (i) With regards to payment for the Provisional Rights Shares with Warrants which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:
- Bank : Malayan Banking Berhad**
Account Name : HRC RIGHTS ACCOUNT
Bank Account No : 514057908918
- (j) Upon completion of the transfer/payment, you may receive a transaction slip from the transacting financial institution confirming the details of your transfer/payment. The transaction slip is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The transaction slip is for your record and is not required to be submitted with your application via NRS.
- (k) You will be notified on the outcome of your application for the Provisional Rights Shares with Warrants electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
- (aa) For successful application – an electronic notification will be sent to you within eight (8) Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
 - (bb) For unsuccessful/partially successful application – the full amount or the surplus of the application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.
- The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in this Abridged Prospectus and the required consent in making the application via NRS.
- If the crediting of the refund into your bank account(s) (as provided by you in the Rights Shares with Warrants Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address last shown on Bursa Depository's record at your own risk.
- (l) Upon crediting of the Provisional Rights Shares with Warrants allotted to you into your CDS Account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.

- (m) You should note that all applications made for the Provisional Rights Shares with Warrants submitted under NRS will be irrevocable upon submission of the Rights Shares with Warrants Subscription File to Bursa Depository and cannot be subsequently withdrawn.

(ii) Terms and conditions for applications via NRS

The application via NRS shall be made on, and subject to, the terms of this Abridged Prospectus, Bursa Depository's terms and conditions for NRS and Bursa Depository's user guide for NRS as well as the terms and conditions appearing herein:

- (a) for purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of Financial Services Act 2013 and Section 45 of the SICDA) to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS;
- (b) you irrevocably agree and undertake to subscribe for or purchase and to accept the number of Provisional Rights Shares with Warrants applied for as stated on your Rights Shares with Warrants Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Provisional Rights Shares with Warrants that may be allotted to you;
- (c) you acknowledge that by completing and submitting the Rights Shares with Warrants Subscription File to Bursa Depository, you, if successful, requests and authorises our Company to credit the Provisional Rights Shares with Warrants allotted to you into the respective CDS Account(s) as indicated in the Rights Shares with Warrants Subscription File;
- (d) you acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:
- (aa) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or
- (bb) any data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you will be deemed not to have made your application and you will not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Provisional Rights Shares with Warrants applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom; and

- (e) by completing and submitting the Rights Shares with Warrants Subscription File to Bursa Depository, you agree that:
 - (aa) in consideration of our Company agreeing to allow and accept your application for the Provisional Rights Shares with Warrants via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;
 - (bb) our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (cc) notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Provisional Rights Shares with Warrants issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Provisional Rights Shares with Warrants; and
 - (dd) you agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

Our Share Registrar and Bursa Depository, acting on the authority of our Board, reserve the right to reject applications which do not conform to these terms or instructions.

10.6 Procedure for part acceptance by the Entitled Shareholders

You are entitled to accept part of your Provisional Rights Shares with Warrants provided always that the minimum number of Provisional Rights Shares with Warrants that can be subscribed for or accepted is one (1) Rights Share. Fractions of a Rights Share with Warrant, if any, shall be disregarded and dealt with in a fair and equitable manner as our Board deems fit or expedient and in the best interests of our Company.

You must complete both Parts I(A) and II of the RSF by specifying the number of Provisional Rights Shares with Warrants which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 10.5 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Rights Shares with Warrants that have not been accepted will be made available for the application of Excess Rights Shares with Warrants.

10.7 Procedure for sale or transfer of the Provisional Rights Shares with Warrants

The Provisional Rights Shares with Warrants are renounceable. As the Provisional Rights Shares with Warrants are prescribed securities, you may sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants to one (1) or more person(s) through your stockbroker for the period up to the last date and time for sale or transfer of the Provisional Rights Shares with Warrants, without first having to request for a split of the Provisional Rights Shares with Warrants standing to the credit of your CDS Account.

To sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have sold or transferred only part of the Provisional Rights Shares with Warrants, you may still accept the balance of the Provisional Rights Shares with Warrants by completing Parts I(A) and II of the RSF. Please refer to Sections 10.5 and 10.6 of this Abridged Prospectus for the procedure for acceptance and payment.

In selling or transferring all or part of your Provisional Rights Shares with Warrants, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional Rights Shares with Warrants standing to the credit of your CDS Account before such sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Rights Shares with Warrants may obtain a copy of this Abridged Prospectus and the RSF from their stockbroker(s) or from our Share Registrar, or at our registered office. This Abridged Prospectus and RSF are also available on the website of Bursa Malaysia Berhad at <https://www.bursamalaysia.com>.

10.8 Procedure for application of Excess Rights Shares with Warrants

10.8.1 Basis of allocation of the Excess Rights Shares with Warrants

It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner to the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who have applied for the Excess Rights Shares with Warrants, in the following order of priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to the Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, for allocation to the Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for; and
- (iv) lastly, for allocation to the renounee(s) and/or transferee(s) of the Entitled Shareholders (if applicable) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for.

In the event there is any Excess Rights Shares with Warrants which remain unallocated after steps (i) to (iv) above are carried out, steps (ii) to (iv) will be repeated in the same sequence to allocate such remaining Excess Rights Shares with Warrants to the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who have applied for the Excess Rights Shares with Warrants until such balance is fully allocated. In the event of any remaining Excess Rights Shares with Warrants after the completion and repetition of steps (ii), (iii) and (iv), such remaining unallocated Excess Rights Shares with Warrants shall be allocated and issued to MHIL pursuant to the terms of the Undertaking at the issue price of RM0.78 per Rights Share.

Notwithstanding the foregoing, our Board reserves the right to allocate any Excess Rights Shares with Warrants applied for in such manner as it deems fit or expedient, and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in steps (i) to (iv) above is achieved. Our Board also reserves the right at its absolute discretion to accept any application for Excess Rights Shares with Warrants, in full or in part, without assigning any reason thereof.

The final basis of allocation of the Excess Rights Shares with Warrants will be announced on the website of Bursa Malaysia Berhad together with the result of the total valid acceptances and Excess Rights Shares with Warrants applications after the Closing Date.

10.8.2 By way of RSF

If you, your renounee(s) and/or transferee(s) (if applicable) wish to apply for additional Rights Shares in excess of your entitlement, please complete Part I(B) of the RSF (in addition to Parts I(A) and II) in accordance with the notes and instructions contained in the RSF. Thereafter, please send each of the completed and signed RSF (together with a **separate remittance made in RM** for the full and exact amount payable using respect of the Excess Rights Shares with Warrants applied for) in the reply envelope enclosed with this Abridged Prospectus, by **ORDINARY POST, COURIER** or **DELIVERY BY HAND** (at your own risk) to our Share Registrar so as to arrive **no later than 5:00 p.m. on the Closing Date**.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.5.1 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MUST BE MADE PAYABLE TO "HRC EXCESS RIGHTS ACCOUNT" CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER, SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR ON OR BY 5:00 P.M. ON THE CLOSING DATE.

THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR. ANY APPLICATION ACCOMPANIED BY EXCESS OR INSUFFICIENT PAYMENT OR PAYMENT OTHER THAN IN THE MANNER PRESCRIBED IN THIS ABRIDGED PROSPECTUS MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE PAYMENT MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

YOU SHOULD NOTE THAT ALL RSF(S) AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

PROOF OF TIME OF POSTAGE SHOULD NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS.

Applications for the Excess Rights Shares with Warrants shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right not to accept any such application or to accept any such application in full or in part without assigning any reason thereof.

Notification on the outcome of your application for the Excess Rights Shares with Warrants will be despatched to you by ordinary post to the address last shown in our Record of Depositors at your own risk within the timelines as follows:

- (i) for successful application – a notice of allotment will be despatched to you within eight (8) Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities and the Excess Rights Shares with Warrants will be allotted and credited directly into your CDS Account within eight (8) Market Days from the Closing Date; or
- (ii) for unsuccessful/partially successful application – the full amount or the surplus of the application monies, as the case may be, will be refunded to you without interest within 15 Market Days from the Closing Date.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED TO YOU WITHOUT INTEREST. ANY REFUND WILL BE CREDITED DIRECTLY INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY, THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS ISSUE INTO THE CDS ACCOUNTS OF THE SUCCESSFUL APPLICANTS. NO PHYSICAL CERTIFICATES IN RESPECT OF THE RIGHTS SHARES OR WARRANTS WILL BE ISSUED.

10.8.3 By way of Electronic Application

You, your renounee(s) and/or transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in addition to your/their entitlement to the Provisional Rights Shares with Warrants via Electronic Application. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the same steps as set out in Section 10.5.2 of this Abridged Prospectus.

The Electronic Application for Excess Rights Shares with Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 10.5.2 of this Abridged Prospectus.

Any Provisional Rights Shares with Warrants which are not taken up or not validly taken up by you, your renounee(s) and/or transferee(s) (if applicable) shall be made available for Excess Rights Shares with Warrants application. It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the priority and basis as detailed in Section 10.8.1 above.

10.8.4 By way of Bursa Anywhere Application

You, your renouncee(s) and/or transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in addition to your/their entitlement to the Provisional Rights Shares with Warrants via Bursa Anywhere. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the same steps as set out in Section 10.5.3 of this Abridged Prospectus.

The application for the Excess Rights Shares with Warrants via Bursa Anywhere shall be made on, and subject to, the same terms and conditions appearing in Section 10.5.3 of this Abridged Prospectus.

Any Provisional Rights Shares with Warrants which are not taken up or not validly taken up by you, your renouncee(s) and/or transferee(s) (if applicable) shall be made available for Excess Rights Shares with Warrants application. It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the priority and basis as detailed in Section 10.8.1 above.

10.8.5 By way of NRS

You, your renouncee(s) and/or transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in addition to your/their entitlement to the Provisional Rights Shares with Warrants via NRS. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the same steps as set out in Section 10.5.4 of this Abridged Prospectus save and except for the amount payable for the Excess Rights Shares with Warrants applied for to be directed to the following bank account:

Bank : **Malayan Banking Berhad**
Account Name : **HRC EXCESS RIGHTS ACCOUNT**
Bank Account No : 514057908925

You should also complete the details for Excess Rights Shares with Warrants application at the designated fields for excess applications in the Rights Shares with Warrants Subscription File.

The NRS for Excess Rights Shares with Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 10.5.4 of this Abridged Prospectus.

Any Provisional Rights Shares with Warrants which are not taken up or not validly taken up by you, your renouncee(s) and/or transferee(s) (if applicable) shall be made available for Excess Rights Shares with Warrants application. It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the priority and basis as detailed in Section 10.8.1 above.

10.9 Procedure for acceptance by renouncee(s)/transferee(s)

Renouncee(s) and/or transferee(s) (if applicable) who wish to accept the Provisional Rights Shares with Warrants must obtain a copy of this Abridged Prospectus and the RSF from their stockbroker or our Share Registrar at the address stated in Section 10.5.1 of this Abridged Prospectus, at our registered office or from Bursa Malaysia Berhad's website at <https://www.bursamalaysia.com>, complete the RSF and submit the same together with the remittance to our Share Registrar at the address stated in Section 10.5.1 of this Abridged Prospectus in accordance with the notes and instructions printed therein.

The procedure for acceptance/application and payment applicable to the Entitled Shareholders as set out in Sections 10.5 and 10.6 of this Abridged Prospectus also applies to renouncee(s) and/or transferee(s) (if applicable) who wish to accept the Provisional Rights Shares with Warrants.

RENOUNCEE(S) AND/OR TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.10 Form of issuance

Bursa Securities has prescribed the securities of our Company listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares and Warrants are prescribed securities and as such, all dealings in the Provisional Rights Shares with Warrants will be by book entries through CDS Accounts and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected.

Your subscription for the Rights Shares with Warrants shall signify your consent to receiving such Rights Shares with Warrants as deposited securities that will be credited directly into your CDS Account. No physical certificates in respect of the Rights Shares or Warrants will be issued.

A notice of allotment will be despatched to you, your renouncee(s) and/or transferee(s) (if applicable) by ordinary post to the address last shown in our Record of Depositors provided by Bursa Depository at your own risk within eight (8) Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

Where the Rights Shares with Warrants are provisionally allotted to the Entitled Shareholders in respect of their existing HRC Shares standing to the credit in their CDS Account as at the Entitlement Date, the acceptance by the Entitled Shareholders of the Provisional Rights Shares with Warrants shall mean that they consent to receive such Rights Shares with Warrants as prescribed or deposited securities which will be credited directly into their CDS Account.

Any person who has purchased the Provisional Rights Shares with Warrants or to whom the Provisional Rights Shares with Warrants has been transferred and intends to subscribe for the Rights Shares with Warrants must state his or her CDS Account number in the space provided in the RSF. The Rights Shares with Warrants will be credited directly as prescribed or deposited securities into his or her CDS Account upon allotment and issuance.

The Excess Rights Shares with Warrants, if allotted to the successful applicant who applies for Excess Rights Shares with Warrants, will be credited directly as prescribed securities into his or her CDS Account. The allocation will be made on a fair and equitable basis in such manner as our Board in its absolute discretion deems fit or expedient and in the best interest of our Company, as disclosed in Section 10.8.1 of this Abridged Prospectus.

10.11 Laws of foreign jurisdiction

The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than the laws of Malaysia and are not intended to be (and will not be) issued, circulated or distributed in any country or jurisdiction other than Malaysia. No action has been (or will be) taken to ensure that either the Rights Issue with Warrants or the Documents comply with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares with Warrants, application for the Excess Rights Shares with Warrants or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants, would result in the contravention of any laws of such countries or jurisdictions. Our Company, AmInvestment Bank and/or other advisers named in this Abridged Prospectus shall

not accept any responsibility or liability if any acceptance and/or renunciation (as the case may be) of the entitlements to the Rights Shares with Warrants, application for the Excess Rights Shares with Warrants or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants, made by any Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

The Rights Issue with Warrants will not be made or offered or deemed to be made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue with Warrants to which the Documents relate is only available to Entitled Shareholders receiving the Documents electronically or otherwise within Malaysia.

Accordingly, the Documents have not been (and will not be) sent to the Foreign-Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign-Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) may collect the Documents from our Share Registrar at the address stated in Section 10.5.1 of this Abridged Prospectus, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

Our Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia or an address for service in Malaysia if not otherwise stated in our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability, whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue with Warrants and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you had accepted the Rights Issue with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

The Foreign-Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so. Our Company, our Board and officers, AmInvestment Bank, our Share Registrar and/or other professional advisers named herein (collectively, "**Parties**") would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign-Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are or might be subject to. The Foreign-Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) shall solely be responsible to seek advice from their legal advisers and/or professional advisers as to whether the acceptance or renunciation (as the case may be) in any manner whatsoever of their entitlements under the Rights Issue with Warrants would result in the contravention of the laws of the countries or jurisdictions to which they are or might be subject to. The Parties shall not accept any responsibility or liability whatsoever to any party if any acceptance or renunciation or transfer made by any Foreign-Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

The Foreign-Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or other taxes, duties, fees, charges or other requisite payments due in such foreign countries or jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign-Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue with Warrants. Such Foreign-Addressed Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants. Our Company reserves

the right, in our absolute discretion, to treat any acceptance as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Rights Shares with Warrants relating to any acceptance which is treated as invalid will be included in the pool of Rights Shares with Warrants available for excess application by other Entitled Shareholders and/or their transferee(s) and/or their renouncee(s).

Each person, by accepting the delivery of this Abridged Prospectus, the NPA and the RSF, accepting any Provisional Rights Shares with Warrants by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring the Rights Shares with Warrants, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign-Addressed Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are or might be subject to;
- (ii) the Foreign-Addressed Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have complied with the laws to which they are or might be subject to in connection with the acceptance or renunciation of the Provisional Rights Shares with Warrants;
- (iii) the Foreign-Addressed Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are not nominees or agents of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Rights Shares with Warrants, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) the Foreign-Addressed Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt within in any other way in accordance with all applicable laws in Malaysia;
- (v) the Foreign-Addressed Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have obtained a copy of this Abridged Prospectus, have read and understood the contents of this Abridged Prospectus, have had access to such financial and other information and have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants; and
- (vi) the Foreign-Addressed Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Persons receiving the Documents (including without limitation to custodians, nominees and trustees) must not, in connection with the offer, distribute or send them into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If the Documents are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who forward the Documents to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section of this Abridged Prospectus and we reserve the right to reject a purported acceptance of the Provisional Rights Shares with Warrants from any such application by Foreign-Addressed Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) in any jurisdiction other than Malaysia.

ENTITLED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES WITH WARRANTS UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS IN SUCH TERRITORY.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the NPA and RSF enclosed herewith.

12. FURTHER INFORMATION

You are requested to refer to the enclosed appendices in this Abridged Prospectus for further information.

Yours faithfully,
For and on behalf of our Board
HENGYUAN REFINING COMPANY BERHAD



Wang, YouDe
Chairman
Non-Independent Non-Executive Director

APPENDIX I: INFORMATION ON OUR COMPANY**1. SHARE CAPITAL**

As at the LPD, the issued share capital of our Company is RM300,000,000 comprising 300,000,000 Shares. There is no treasury shares held as at the LPD.

2. OPTIONS TO SUBSCRIBE FOR HRC SHARES

As at the LPD, save for the Provisional Rights Shares with Warrants as well as the Excess Rights Shares with Warrants, no option to subscribe for any securities of our Company has been granted or is entitled to be granted to any person.

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 8.2 of this Abridged Prospectus for information on the substantial shareholders' shareholdings in our Company before and after the Rights Issue with Warrants.

4. BOARD OF DIRECTORS

The details of our Board as at the LPD are as follows:

Name (<i>Designation</i>)	Age	Address	Nationality
Wang, YouDe <i>(Chairman / Non-Independent Non-Executive Director)</i>	62	Room 502, Unit 2, Building 3, No. 62, Ruiyuan Road, Linyi County, Dezhou City, Shandong Province, 251500 China	Chinese
Surinderdeep Singh Mohindar Singh <i>(Independent Non-Executive Director)</i>	56	16, Jalan USJ Heights 8/1A, USJ Heights, 47620 Subang Jaya, Selangor Darul Ehsan, Malaysia	Malaysian
Tai Sook Yee <i>(Independent Non-Executive Director)</i>	62	18, Jalan 6/98, Taman Supreme, 56100 Wilayah Persekutuan Kuala Lumpur, Malaysia	Malaysian
Li, XiaoXia <i>(Independent Non-Executive Director)</i>	62	201, Unit 1, Block 4, South Mountain Yuan Residences, Lvyou Road, 250002, Shizhong District, Jinan City, Shandong Province, China	Chinese
Peter Ho Kok Wai <i>(Independent Non-Executive Director)</i>	66	11, Jalan Legenda Puteri 3, PJU 1A/58A, Damansara Lagenda, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Malaysian

As at the LPD, none of the directors of our Company hold any HRC Shares.

APPENDIX I: INFORMATION ON OUR COMPANY (Cont'd)**5. HISTORICAL FINANCIAL INFORMATION**

A summary of the financial information of our Company for the last four (4) FYEs 2021 to 2024 as well as for the six (6)-month FPE 30 June 2025 are as follows:

	Audited				Unaudited	
	FYE				Six (6)-month FPE 30 June	
	2021	2022	2023	2024	2024	2025
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Statement of Profit or Loss						
Revenue	12,006,040	21,142,293	15,399,240	17,211,700	9,610,856	5,891,763
Gross profit/(loss)	1,044,654	344,885	(143,929)	196,723	157,781	62,053
Profit/(Loss) before taxation	127,702	(394,382)	(499,960)	(357,561)	(198,336)	(254,400)
Net profit/(loss) for the financial year/period	82,672	(157,640)	(488,570)	(357,561)	(198,336)	(353,688)
Profit/(loss) attributable to owners of our Company ⁽¹⁾	82,672	(157,640)	(488,570)	(357,561)	(198,336)	(353,688)
Statement of Financial Position						
Non-current assets	2,035,038	2,362,257	2,343,010	2,215,726		2,078,385
Current assets	3,448,093	4,259,767	3,294,848	1,559,985		2,049,111
Total assets	5,483,131	6,622,024	5,637,858	3,775,711		4,127,496
Non-current liabilities	525,398	720,396	504,674	373,896		368,373
Current liabilities	2,905,763	4,527,831	3,730,618	2,251,638		2,992,269
Total liabilities	3,431,161	5,248,227	4,235,292	2,625,534		3,360,642
Equity attributable to owners of our Company/NA	2,051,970	1,373,797	1,402,566	1,150,177		766,854
Cash and cash equivalents (including restricted cash)	690,005	1,334,832	1,028,529	679,096		505,604
Total borrowings	798,297	1,608,947	1,720,881	1,433,741		1,470,151
Other financial information						
Weighted average number of Shares in issue ('000)	300,000	300,000	300,000	300,000	300,000	300,000
Basic earnings/(loss) per Share (sen) ⁽²⁾	27.56	(52.55)	(162.86)	(119.19)	(66.11)	(117.90)
Gearing ratio ⁽³⁾	0.39	1.17	1.23	1.25		1.92

APPENDIX I: INFORMATION ON OUR COMPANY (Cont'd)**Notes:**

- (1) *Our Company does not have any subsidiary or associated company. There is no profit/(loss) attributable to non-controlling interests recorded for the years/periods under review.*
- (2) *Calculated based on profit/(loss) attributable to owners of our Company over weighted average number of Shares in issue.*
- (3) *Calculated based on the total borrowings (excluding lease liabilities) over the equity attributable to owners of our Company.*

Commentary of the financial performance**(i) FYE 2021 to FYE 2022**

In FYE 2022, our Company recorded revenue of approximately RM21.14 billion, representing an increase of approximately RM9.13 billion or 76% compared to revenue of approximately RM12.01 billion in FYE 2021. The significant increase in revenue was primarily driven by a substantial rise in average product market prices, which increased by 59% from USD78.81 per barrel (“/bbl”) in FYE 2021 to USD125.25/bbl in FYE 2022. The price increase reflected strong market demand recovery following the economic disruptions and lockdowns caused by the COVID-19 pandemic. Additionally, our Company reported a 9% increase in sales volume, reaching approximately 39.7 million barrels in FYE 2022, up from 36.3 million barrels in FYE 2021.

Despite the higher revenue recorded in FYE 2022, our Company reported a significantly lower gross profit of approximately RM344.89 million in FYE 2022, representing a decline of approximately RM699.76 million or 67% compared to gross profit of approximately RM1.04 billion in FYE 2021. The substantial decrease in gross profit was primarily driven by hedging losses amounting to approximately RM1.46 billion (FYE 2021: RM45.45 million), arising from unfavourable long hedging positions entered in 2021. These positions were adversely impacted by the unexpected geopolitical developments following the onset of the Russian-Ukraine war in early 2022. In addition, our Company’s gross profit was also adversely impacted by an unplanned nationwide power outage in July 2022, which resulted in production losses and increased plant overhead costs due to the sudden forced plant shutdown. This disruption also affected plant operations, resulting in sub-optimal refined product yields and additional costs associated with the rescheduling of planned crude oil purchases, which collectively contributed to margin compression. Furthermore, higher crude premium costs and additional write downs of hydrocarbon inventories amounting to approximately RM82.99 million (FYE 2021: RM13.83 million) further weighed on gross profitability.

As a result, our Company recorded a loss before tax (“LBT”) of approximately RM394.38 million in FYE 2022, compared to a profit before tax (“PBT”) of approximately RM127.70 million in FYE 2021. This occurred despite a marginal increase in other income, a substantial reduction in manufacturing and operating expenses contributed by our company-wide costs optimisation initiatives, and a significantly lower mark-to-market losses on commodity swaps and other refining margin swap derivatives used for hedging hydrocarbon inventories of approximately RM225.20 million (FYE 2021: loss of approximately RM490.17 million) due to improved hedging positions against oil price movements during the year. The LBT was further impacted by an increase in administrative expenses, primarily due to a one-off impairment charge of approximately RM12.11 million relating to our Company’s plant, equipment and parts refurbishment. Additionally, a net foreign exchange loss arising from strengthening USD against RM during the year and higher finance costs driven by global interest rate hikes also contributed to the overall loss. Consequently, our Company recorded loss per Share (“LPS”) of approximately 53 sen in FYE 2022, compared to EPS of approximately 28 sen in FYE 2021.

APPENDIX I: INFORMATION ON OUR COMPANY (Cont'd)

As at 31 December 2022, our Company's non-current assets increased by approximately RM327.22 million or 16% to approximately RM2.36 billion, mainly due to higher deferred tax assets arising from unutilised business losses and reinvestment allowance tax incentives expected to be recoverable against future taxable profits. Current assets rose by approximately RM811.67 million or 23% to approximately RM4.26 billion, primarily driven by increased cash and bank balances from the first tranche drawdown under our Company's medium-term notes ("MTN") programme.

Non-current liabilities grew by approximately RM195.00 million or 37% to approximately RM720.40 million, mainly due to new borrowings from the MTN programme which was partially offset by lower deferred tax liabilities resulting from tax incentives associated with the Company's substantial capital investments for our refinery plant in FYE 2022. Our Company's current liabilities also increased by approximately RM1.62 billion or 55% to approximately RM4.53 billion, mainly due to the following:

- (i) increase in borrowings from the MTN programme;
- (ii) higher trade and other payables balances from increased crude oil prices and hedging losses; and
- (iii) increase in derivative financial liabilities from crack spread swaps due to the disparity between the hedged rates and the forward market rates as at 31 December 2022.

As at 31 December 2022, the equity attributable to owners of our Company declined by approximately RM678.17 million or 33% to approximately RM1.37 billion, mainly due to our Company's LAT position for the FYE 2022 and wider cash flow hedge reserve deficit following mark-to-market losses and realised losses on commodity and refining margin swaps. Due to higher borrowings drawdown from the MTN programme and lower equity attributable to owners of our Company, we recorded higher gearing ratio of 1.17 times as at 31 December 2022 (31 Dec 2021: 0.39 times).

(ii) FYE 2022 to FYE 2023

In FYE 2023, our Company recorded revenue of approximately RM15.40 billion, representing a decrease of approximately RM5.74 billion or 27% compared to revenue of approximately RM21.14 billion in FYE 2022. The significant decline was primarily due to an 18% drop in average product market prices to USD103.28/bbl (FYE 2022: USD125.25/bbl), as well as a 14% decrease in sales volume to approximately 34.0 million barrels (FYE 2022: 39.7 million barrels). The reduction in sales volume was largely attributed to the spillover effects of scheduled maintenance activities carried out from December 2022 to early 2023, as well as the major turnaround exercise ("MTA2023") conducted in July and August 2023 which involved a full temporary shutdown of the refinery plant to facilitate for a comprehensive maintenance, inspections, repairs and upgrades to the production units and equipment.

As a result of the plant constraints mentioned above, our Company's ability to optimise margins was significantly limited. Both selling prices and production volumes were adversely impacted by the increased plant downtime, while fixed costs remained largely unchanged. Additionally, gross margins were further affected by the weakening of crack spreads for key refined petroleum products, particularly diesel (gasoil) and jet fuel (Jet A1). Coupled with continued hedging losses, these factors led our Company to record gross loss of approximately RM143.93 million in FYE 2023, compared to a gross profit of approximately RM344.89 million in FYE 2022. Notwithstanding these adverse conditions, our Company recorded a reversal of write downs of hydrocarbon inventories amounting to approximately RM19.70 million in FYE 2023 as opposed to additional write-downs of approximately RM82.99 million in FYE 2022.

APPENDIX I: INFORMATION ON OUR COMPANY (Cont'd)

Consequently, our Company recorded a higher LBT of approximately RM499.96 million in FYE 2023, compared to a LBT of approximately RM394.38 million in FYE 2022. The increase in LBT was also attributable to the absence of liquidated damages claims of approximately RM19.59 million received in 2022 from a main contractor as a result of delay in the delivery of the Euro 4 Mogas (“E4M”) project. Additionally, manufacturing expenses rose due to planned maintenance activities conducted during the MTA2023 exercise, a major turnaround carried out once every five (5) years to ensure asset integrity and operational reliability. Depreciation and amortisation charges also increased by 27% from approximately RM113.00 million to RM143.91 million, following the completion of the MTA2023 exercise in the third quarter of 2023 and the capitalisation of major projects i.e. hydrogen manufacturing unit and E4M Unit in FYE 2023. Higher finance costs, primarily driven by global interest rate hikes, especially on the USD denominated loans, also contributed to the increased LBT.

Notwithstanding these factors, the LBT was partially offset by other operating gains in FYE 2023, mainly arising from favourable mark-to-market effects on commodity swaps and other refining margin swap derivatives used for hydrocarbon hedging. These gains amounted to approximately RM207.64 million, compared to a loss of approximately RM225.20 million in FYE 2022, reflecting more favourable hedging positions that were aligned with oil price movements. Unlike in FYE 2022, there was also no one-off impairment charge on our Company’s plant, equipment and parts refurbishment in FYE 2023.

Premised on the above, our Company’s LPS widened to approximately 163 sen in FYE 2023, compared to approximately 53 sen in FYE 2022.

As at 31 December 2023, our Company’s current assets decreased by approximately RM964.92 million or 23% to approximately RM3.29 billion, mainly due to the following:

- (i) decrease in inventories due to lower crude oil purchase prices and product prices, coupled with lower inventory volumes as at year end;
- (ii) decrease in other receivables due to settlement of hedging contracts; and
- (iii) decrease in cash and bank balances arising from the increase in capital expenditures.

Non-current liabilities declined by approximately RM215.72 million or 30% to approximately RM504.67 million, primarily due to lower derivative financial liabilities from reduced hedging positions and more favourable year-end movements between hedged and market rates along with the repayment of borrowings. Current liabilities fell by approximately RM797.21 million or 18% to approximately RM3.73 billion, mainly due to the following:

- (i) decrease in trade and other payables due to lower crude oil purchase prices coupled with the reduction in hedging payables on the back of lower crack spread prices to be settled; and
- (ii) decrease in derivative financial liabilities due to more favourable year-end movements between hedged and market rates as mentioned earlier.

However, the decrease in current liabilities were partially offset by higher borrowings mainly due to exchange rate effects on USD-denominated facilities. Our gearing ratio also increased to 1.23 times due to higher borrowings and lower equity attributable to owners of our Company as at the year-end.

APPENDIX I: INFORMATION ON OUR COMPANY (Cont'd)**(iii) FYE 2023 to FYE 2024**

In FYE 2024, our Company recorded revenue of approximately RM17.21 billion, representing an increase of approximately RM1.81 billion or 12% as compared to revenue of approximately RM15.40 billion in FYE 2023. The increase was primarily driven by a 17% increase in sales volume, with total sales reaching approximately 39.8 million barrels in FYE 2024, compared to approximately 34.0 million barrels in FYE 2023. The revenue growth was also supported by the gradual normalisation of the plant's production and yield following the successful completion of the MTA2023 exercise. However, the overall increase in revenue was partially offset by lower average product market prices, which fell from USD103.28/bbl in FYE 2023 to USD94.82/bbl in FYE 2024.

In tandem with higher revenue recorded, our Company registered a gross profit of approximately RM196.72 million in FYE 2024, marking a significant turnaround from a gross loss of approximately RM143.93 million in FYE 2023, an improvement of approximately RM340.65 million. This improvement was driven not only by increased revenue but also by more favourable hedging positions. Our Company recorded a net fair value gain of approximately RM25.53 million on refining margin swap contracts, compared to a net fair value loss of approximately RM711.88 million in FYE 2023. The prior year's loss was mainly due to unfavourable long hedging positions taken in 2021, which were adversely impacted by the onset of the Russia-Ukraine war in early 2022. Additionally, there was a higher reversal of previous write-downs of hydrocarbon inventories amounting to approximately RM65.79 million (FYE 2023: RM19.70 million), due to increased stock valuations. Despite these improvements, gross profit was partially offset by lower average product crack market prices, which declined to USD14.06/bbl in FYE 2024 from USD20.66/bbl in FYE 2023.

Consequently, our Company recorded lower LBT of approximately RM357.56 million in FYE 2024, narrowing its LBT by approximately RM142.40 million or 28% compared to approximately RM499.96 million in FYE 2023. Our Company also recorded lower plant manufacturing expenses due to the absence of a one-off operating expenditure costs of approximately RM21.19 million incurred for the MTA2023 exercise. Nevertheless, our Company continued to record a LBT, primarily due to higher depreciation and amortisation charges following the completion of the MTA2023 exercise in the third quarter of 2023 and the capitalisation of major projects i.e. hydrogen manufacturing unit and E4M Unit in FYE 2023. Our Company also incurred mark-to-market losses of approximately RM20.83 million on commodity swaps and other refining margin swap derivatives used for hydrocarbon hedging, compared to a gain of approximately RM207.64 million in FYE 2023, stemming from unfavourable movements in oil prices. Higher finance costs also contributed to the continued loss. Accordingly, our Company's LPS reduced to approximately 119 sen in FYE 2024, compared to approximately 163 sen in FYE 2023.

As at 31 December 2024, our Company's current assets declined by approximately RM1.73 billion or 53% to approximately RM1.56 billion, mainly due to lower inventory levels maintained in anticipation of the scheduled year-end plant downtime, which in turn contributed to a lower trade receivables in the fourth quarter of FYE 2024 coupled with the reduction in sales volume and lower average product prices during the year, as well as decrease in cash and bank balances following higher repayment of borrowings.

Current liabilities decreased by approximately RM1.48 billion or 40% to approximately RM2.25 billion, driven by lower crude oil purchases and hedging payables due to the year-end scheduled plant shutdown coupled with the lower crude oil prices during the year, improved derivative positions, and reduced borrowings from net repayments. Our Company's non-current liabilities also decreased by approximately RM130.78 million or 26% to approximately RM373.90 million, mainly due to repayment of its borrowings.

APPENDIX I: INFORMATION ON OUR COMPANY (Cont'd)

As at 31 December 2024, the equity attributable to owners of our Company decreased by approximately RM252.39 million or 18% to approximately RM1.15 billion, primarily due to the LAT position for the FYE 2024. As such, despite the lower borrowings, we recorded higher gearing ratio of 1.25 times as at 31 December 2024.

(iv) Six (6)-month FPE 30 June 2024 compared to six (6)-month FPE 30 June 2025

In the six (6)-month FPE 30 June 2025, our Company recorded revenue of approximately RM5.89 billion, representing a decrease of approximately RM3.72 billion or 39% as compared to revenue of approximately RM9.61 billion in the six (6)-month FPE 30 June 2024. The lower revenue was primarily due to a 16% drop in average product market prices to USD84.73/bbl (FPE 2024: USD100.49/bbl), and a 20% decrease in sales volume to approximately 16.5 million barrels (FPE 2024: 20.5 million barrels). The reduction in sales volume was largely attributed to lower plant availability following the scheduled year-end pitstop maintenance exercise carried out in end December 2024, which was completed in mid-January 2025. For information, no year-end pitstop maintenance exercise was carried out in December 2023, as the MTA2023 had already been conducted earlier in July and August 2023. The decline in revenue was further exacerbated by the weakening of the USD against the RM during the six (6)-month FPE 30 June 2025 (FPE 2025: USD1 to RM4.3763, FPE 2024: USD1 to RM4.7260).

The lower sales volume has led to lower gross profit of RM62.05 million for the six (6)-month FPE 30 June 2025, as compared to a gross profit of RM157.78 million in the corresponding period. The gross margins were further pressured by the weakening crack spreads for key refined petroleum products namely, gasoline (U95), diesel (gasoil), and jet fuel (Jet A1), driven by fluctuations in global oil prices.

Despite a smooth restart of the refinery plant after the scheduled pitstop, external market headwinds led to a higher LBT of approximately RM254.40 million in the said financial period as opposed to a LBT of approximately RM198.34 million in the preceding financial period. Our Company's profitability was also affected by the higher plant manufacturing costs arising from lower production volume and higher maintenance costs incurred during the scheduled year-end pitstop maintenance exercise carried out. As a result, our Company recorded LPS of approximately 118 sen in the six (6)-month FPE 30 June 2025 as opposed to LPS of approximately 66 sen in the preceding financial period.

As at 30 June 2025, our Company's current assets increased by approximately RM489.13 million or 31% to approximately RM2.05 billion (31 December 2024: RM1.56 billion), mainly due to rebuilding of inventory balance after the completion of the year-end pitstop maintenance and higher trade receivables from increased production (partially offset by lower average crude and product prices). The increase in current assets is partially offset by lower cash and bank balances used to fund higher working capital requirements following the year-end pitstop maintenance.

Current liabilities rose by approximately RM740.63 million or 33% to approximately RM2.99 billion (31 December 2024: RM2.25 billion), primarily driven by increased trade and other payables from higher crude oil purchases to replenish inventory.

Equity attributable to owners of our Company decreased by approximately RM383.32 million or 33% to approximately RM766.85 million (31 December 2024: RM1.15 billion), mainly due to the LAT position for the FPE 30 June 2025. As such, we recorded higher gearing ratio of 1.92 times as at 30 June 2025.

(Sources: Annual Reports of our Company for the FYEs 2021 to 2024, the latest unaudited financial results of our Company for the six (6)-month FPE 30 June 2025, and management of our Company)

APPENDIX I: INFORMATION ON OUR COMPANY (Cont'd)**6. HISTORICAL SHARE PRICES**

The monthly highest and lowest prices of HRC Shares traded on the Main Market Bursa Securities for the past 12 months preceding the date of this Abridged Prospectus (i.e. from October 2024 to September 2025) are as follows:

	<u>High</u>	<u>Low</u>
	RM	RM
<u>2024</u>		
October	3.15	2.02
November	2.54	1.99
December	2.37	2.02
<u>2025</u>		
January	2.26	1.97
February	2.04	1.80
March	1.84	1.60
April	1.72	1.38
May	2.00	1.53
June	2.05	1.59
July	1.70	1.28
August	1.33	1.23
September	1.27	1.03
Last transacted market price of HRC Shares on 11 July 2025 (<i>being the last full trading day prior to the announcement of the Rights Issue with Warrants on 14 July 2025</i>)		1.61
Last transacted market price of HRC Shares as at the LPD		1.25
Last transacted market price of HRC Shares on 30 September 2025, being the last trading day prior to the ex-date for the Rights Issue with Warrants		1.12

(Source: Bloomberg)

7. MATERIAL CONTRACTS

As at the LPD, there is no material contract (not being contract entered into in the ordinary course of our business) which have been entered into by our Company during the two (2) years preceding the date of this Abridged Prospectus.

8. MATERIAL LITIGATION

As at the LPD, our Company is not engaged in any material litigation, claim and/or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceeding, pending or threatened, against our Company, or of any fact which is likely to give rise to any proceedings which may materially affect the business or financial position of our Company.

APPENDIX II: SALIENT TERMS OF THE WARRANTS

Issuer	:	HRC
Issue size	:	Up to 150.0 million Warrants
Detachability	:	The Warrants are immediately detachable upon issuance and allotment of the Rights Shares. The Warrants will be traded separately
Form denomination and	:	The Warrants will be issued in registered form and constituted by the Deed Poll
Tenure	:	Five (5) years commencing from and inclusive of the date of issuance of the Warrants (" Issue Date ")
Exercise Period	:	The Warrants may be exercised at any time commencing on and including the Issue Date and ending at 5:00 p.m. on the Market Day immediately preceding the 5th anniversary of the Issue Date. If such day falls on a day which is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid
Exercise Price	:	RM1.00 payable in cash in respect of each HRC Share but subject always to the adjustments under certain circumstances in accordance with the provisions in the Deed Poll
Exercise rights	:	Each Warrant entitles the registered holder of the Warrant (" Warrant Holder(s) ") to subscribe for one (1) new HRC Share at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll
Mode of exercise	:	The Warrant Holders must complete and sign the subscription form (which shall be irrevocable) and deliver the duly completed, signed and stamped subscription form together with payment of the Exercise Price to our Company's share registrar in accordance with the terms and provisions of the Deed Poll
Adjustments in the Exercise Price and/or number of Warrants	:	The Exercise Price and/or number of unexercised Warrants in issue may be subject to adjustments by our Board in consultation with an approved adviser appointed by our Company or the auditors in the event of any alteration in the share capital of our Company at any time during the tenure of the Warrants, whether by way of, among others, rights issue, bonus issue, consolidation of shares or subdivision of shares, in accordance with the provisions of the Deed Poll
Ranking of new HRC Shares to be issued arising from the exercise of the Warrants	:	The Exercised Shares will, upon allotment and issuance (following full payment of the Exercise Price), rank equally in all respects with the existing HRC Shares, save and except that the Exercised Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid, the entitlement date of which precedes the date of allotment and issuance of the Exercised Shares
Rights of the Warrant Holders	:	The Warrant Holders will not be entitled to any voting rights in any general meeting of our Company or to participate in any form of distribution and/or offer of securities in our Company until and unless such Warrant Holders exercise their Warrants into new HRC Shares in accordance with the provisions of the Deed Poll and such new HRC Shares have been allotted and issued to such holders

APPENDIX II: SALIENT TERMS OF THE WARRANTS (Cont'd)

- Rights in the event of winding-up, compromise or arrangement : If a resolution is passed for a members' voluntary winding-up of our Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction or the amalgamation of our Company with one or more companies, then:
- (i) for the purpose of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrant Holders, or some persons designated by them for such purposes by a special resolution, will be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrant Holders; or
 - (ii) every Warrant Holder shall be entitled (upon and subject to the conditions in the Deed Poll) at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of our Company or within six (6) weeks after the granting of the court order approving the winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation), elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercise the rights represented by such Warrants to the extent specified in the subscription form(s), whereupon our Company shall allot the relevant Shares to the Warrant Holder credited as fully paid subject to the prevailing laws and the Warrant Holder shall be entitled to receive out of the assets of our Company which would be available in liquidation as if he had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Upon the expiry of the above six (6) weeks, all exercise rights of the Warrants shall lapse and cease to be valid for any purpose
- Modification of rights of the Warrant holders : Our Company may, from time to time, without the consent or sanction of the Warrant Holders but in accordance with the provisions of the Deed Poll, modify the Deed Poll (including the terms and conditions of the Warrants, as well as the form and content of the Warrant certificate), if such modification made does not materially prejudice the interest of the Warrant Holders or is made to correct a manifest error or to comply with prevailing laws of Malaysia, Rules of Bursa Depository, SICDA and/or the Listing Requirements.
- Subject to the above and the approval of any relevant authority, any modification, alteration or abrogation of the covenants or provisions contained in the Deed Poll (including the form and content of the Warrant certificate) proposed or agreed to by our Company must be sanctioned by special resolution of the Warrant Holders and comply with the requirements of the Deed Poll
- Transferability : The Warrants shall be transferable in accordance with provisions of the Deed Poll subject always to the prevailing provisions of the SICDA and the Rules of Bursa Depository

APPENDIX II: SALIENT TERMS OF THE WARRANTS (Cont'd)

- Board lot : For the purpose of trading on Bursa Securities, a board lot of Warrants shall be 100 Warrants carrying the right to subscribe for 100 new HRC Shares at any time during the Exercise Period, or such other denomination as may be varied from time to time by Bursa Securities and/or any relevant authorities
- Listing status : The Warrants will be listed and quoted on the Main Market of Bursa Securities
- Governing law : The Warrants and the Deed Poll shall be governed by the laws and regulations of Malaysia

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APPENDIX III: ADDITIONAL INFORMATION

1. CONSENTS

- (i) The written consents of our Principal Adviser, solicitors, company secretaries and Share Registrar for the Rights Issue with Warrants for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.
- (ii) The written consent of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for a period of six (6) months from the date of this Abridged Prospectus:

- (i) our Constitution;
- (ii) the Undertaking;
- (iii) the Deed Poll; and
- (iv) the letters of consent as set out in Section 1 of this Appendix III;

3. RESPONSIBILITY STATEMENT

- (i) Our Board has seen and approved this Abridged Prospectus, together with the NPA and RSF, and they collectively and individually accept full responsibility for the accuracy of the information contained therein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.
- (ii) AmInvestment Bank, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue with Warrants.