

PRESS RELEASE**FOR IMMEDIATE RELEASE**

Hengyuan Announces Progress of up to RM300 Million Rights Issue to Strengthen Feedstock Procurement & Customer Diversification

- Major shareholder MHIL undertakes to invest no less than RM155 million in Hengyuan, enabling Hengyuan to achieve minimum fundraising target
- Hengyuan continues to strengthen its relationship with Shell, its principal customer, while driving revenue diversification with new customers such as Petronas, Petron, & Five
- Targeting return to profitability by 2026

KUALA LUMPUR, 4th September 2025 – Hengyuan Refining Company Berhad (“Hengyuan,” or “the Company”) is firmly on track to raise up to RM300 million through a proposed renounceable rights issue of up to 300 million new ordinary shares together with up to 150 million free detachable warrants on the basis of one (1) rights share for every one (1) existing Hengyuan share held and one (1) warrant for every two (2) rights shares subscribed for at an issue price and on an entitlement date to be determined and announced later (“Proposed Right Issue with Warrants”).

Malaysia Hengyuan International Limited (“MHIL”), Hengyuan’s major shareholder holding 51.02% of Hengyuan’s issued shares, has undertaken to subscribe for its full entitlement of rights shares. This commitment secures the minimum fundraising of RM155 million under the exercise.

Use of Proceeds

The bulk of proceeds from the rights issue is intended for the purchase of additional crude oil feedstock, the main raw material used in the refining and manufacturing of petroleum products. Maintaining adequate feedstock levels is expected to improve production efficiency, lower unit costs per barrel, and strengthen overall competitiveness.

Operational Performance and Customers

In FY2024, Hengyuan recorded revenue of RM17.2 billion, representing an 12% year-on-year increase, driven by higher demand for refined products. The Company remains the primary

supplier of Shell refined products in Peninsular Malaysia, while broadening its customer portfolio to include Petronas, Petron, and Five.

Currently, approximately 90% of Hengyuan's refined products are sold domestically, with the remainder exported within Southeast Asia.

Madam Yeo Bee Hwan, Chief Financial Officer of Hengyuan Refining Company Berhad, said:

“Over the past five years, Hengyuan has invested more than RM2.2 billion in capital expenditure to enhance production capabilities and expand into higher-value products such as sustainable aviation fuel and Euro 5 gasoil. These initiatives have supported revenue growth and stronger customer demand.

The proposed rights issue will provide the Group with the working capital to secure additional feedstock and support operational efficiency, while also strengthening our equity base and financial flexibility.

Supported by our major shareholder, MHIL, and the progress of our strategic initiatives, Hengyuan is targeting a return to profitability by 2026. Subject to achieving profitability, the Board will also consider the resumption of dividends in the future, as set out in the Company's 2024 annual report.”

About Hengyuan Refining Company Berhad

Hengyuan Refining Company Berhad manages and operates a refinery in Port Dickson with a production capacity of 156,000 barrels per day. The refinery is involved in the refining and manufacturing of petroleum products and has been in operation since 1963.

The majority shareholder of Hengyuan is Malaysia Hengyuan International Limited (MHIL), which has an equity stake of 51.02 percent. MHIL is wholly-owned by Heng Yuan Holdings Limited, which in turn is a wholly-owned subsidiary of Shandong Hengyuan Petrochemical Company Limited (SHPC).



Issued by: Sense Consultancy on behalf of Hengyuan Refining Company Bhd

Date: 4th September 2025

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