

NEWS RELEASE

Hengyuan Refining Company Berhad Secures Favourable Financing of RM1.7 billion (USD430 million)

KUALA LUMPUR, 23 January 2018 –Hengyuan Refining Company Berhad (HRC) today announced that it had signed bilateral agreements with three banks, namely Ambank (M) Berhad – Labuan Offshore Branch (AmBank), China Construction Bank (Malaysia) Berhad (CCB) and Maybank International Labuan Branch (Maybank), for financing facilities totalling USD430 million or RM1.7 billion. AmInvestment Bank Berhad is the Mandated Lead Arranger, Facility Agent and Security Agent for the facilities and MayBank Investment Bank Berhad and CCB are the Joint Lead Arrangers.

The facilities are segregated into a term loan and a revolving credit line. The term loan will be utilised towards refinancing HRC's existing term loan and also to partially finance its planned capital expenditure. The revolving credit facility will support the company's working capital needs. The term loan will be repaid in instalments throughout the tenure of the 5 year facility. Approval for the facilities was received from Bank Negara Malaysia on 22 January 2018.

Wang, YouDe, Chairman of Hengyuan Refining Company Berhad, said, "The sealing of the bilateral agreements with the three prominent banks today accords HRC with a more favourable and flexible financing scheme to enhance our cash and debt management while providing us with additional financing required to fuel our planned upgrades and maintenance projects for the refinery."

"Our success in securing this new financing package is testament to HRC's commitment to enhance our performance in a compressive and tangible manner. We continue to reach out and engage our stakeholders, including the banking community with the aim of building long-lasting and mutually-beneficial relationships," Wang added.

"Moving forward, HRC will continue to review all aspects of our operations to maximize efficiencies and cost savings. As this initiative shows, we are able and willing to work with any organisation that can provide HRC with optimum solutions to positively impact our growth and enhance shareholder value," Wang said.

Raja Teh Maimunah, Chief Executive Officer of AmInvestment Bank Berhad and Managing Director of Wholesale Banking AmBank Group said "We are pleased to participate in this USD430 million facilities to support HRC's upgrading plans to meet the Euro 4M mogas specifications. We believe that this investment will strengthen HRC's long-term commitment to sustainable refining in Malaysia. By leveraging on improving refinery margins, we are confident that the outlook of HRC will remain positive."

Gavin Wang Ziming, Treasurer and Senior Banker said, "CCB plans to continue to support growing companies like HRC. The continued success of HRC is also important towards solidifying the close business relationship that Malaysia and China enjoys."

Mr Michael Oh-Lau Chong Jin, Managing Director of Corporate Banking, Global Banking of Maybank said, “Maybank is pleased to support HRC’s plans to upgrade its existing refinery via technology transfer and expand its value chain to wholesale trading and petrochemicals. This investment also underpins the commitment from the new shareholder – Shandong Hengyuan Petrochemical Company Limited in improving HRC’s prospects and continue its contribution in the downstream activities in Malaysia’s Oil & Gas industry.”

- end -

About Hengyuan Refining Company Berhad

Hengyuan Refining Company Berhad (“HRC” or “the Company”) (formerly known as Shell Refining Company (Federation of Malaya) Berhad), was incorporated in Malaysia on 19 September 1960. The Company was listed on the Main Board of the then Kuala Lumpur Stock Exchange (now known as the “Main Market of Bursa Securities”) on 29 October 1962.

On 22 December 2016, Malaysia Hengyuan International Limited (“MHIL”) acquired 51.0% equity stake in the Company from Shell Overseas Holdings Limited for USD66.3 million. MHIL is wholly-owned by Heng Yuan Holdings Limited, which in turn, is a wholly-owned subsidiary of Shandong Hengyuan Petrochemical Company Limited.

HRC manages and operates a refinery in Port Dickson, Negeri Sembilan with licensed production capacity of 156,000-bpd. The refinery is involved in the refining and manufacturing of petroleum products, and provides employment for more than 500 individuals comprising of staff and contractors.

About Shandong Hengyuan Petrochemical Company Limited

Established in 1970, Shandong Hengyuan Petrochemical Company Limited (“SHPC”) is a state-owned enterprise based in Linyi County, Shandong Province, China. SHPC develops, produces, processes, and markets diesel oil, liquefied gas, propylene, propane, polypropylene, tert-butyl alcohol, oil slurry, asphalt, tert-pentene, ethylbenzene, and other petroleum related products.

SHPC has total assets of 4 billion Yuan (approx. USD582.53 million) and employs 1,700 employees. SHPC is one of the Top 100 Leading Enterprises in Shandong and one of the Top 500 Chinese Chemical Enterprises. The Group has garnered multiple accolades over the years and its Chairman and General Manager, Wang Youde, has also received recognition including ‘One of Ten Outstanding Entrepreneurs in Shandong Province’ and ‘Outstanding People Award of National Advancements in Productivity’, amongst others.

For more information, please contact:

Surya Suharman, Corporate Affairs – M: 019-3571605, E: Surya.Gunawan@hrc.com.my

Fong Kai Pieng, Media & Public Relations – M: 017-398 3358, E: Kai-Pieng.Fong@hrc.com.my

I-Mae Liew, Acendus Communications Sdn Bhd – M : 012 383 5688 , E: imae.liew@acendus.com.my

Michael Poh, Acendus Communications Sdn Bhd – M : 012 395 5202, E: michael.poh@acendus.com.my