



Bor. Hor. 026/2020

11th September 2020

Attention: President

The Stock Exchange of Thailand

Re: Wind down of crude oil procurement from Venezuela

The Company's asphalt refinery in Kemaman, Malaysia is specifically designed to refine heavy crude oil from Venezuela. Since its commissioning in 2007, 90% of the refinery's feedstock was sourced from Venezuela.

In December 2019, the Company was contacted by the US Embassy in Thailand. We shared with them in writing details of our procurement of Venezuelan crude oil in January 2020. Then again, three weeks ago the US State Department contacted us and asked the Company to stop its procurement of Venezuela crude oil. After review of our comprehensive written explanation, the US State Department requested us to wind down our crude oil procurement from Venezuela by the end of November 2020, warning the Company that, in the event of non-compliance, the Company could be subject to US sanctions.

In order to avoid the sanction, the Company is taking steps to comply with such request. The Kemaman refinery will have to shut down temporarily until the sanctions against Venezuela are lifted or we find an alternative feedstock.



Since the Kemaman refinery produces half of the Company's asphalt supply, the shutdown will mostly impact directly our wholesale trading business. The Company's management will work on numerous mitigation initiatives and will disseminate the information via the Stock Exchange of Thailand in due course.

Please be informed accordingly.

Sincerely,

Mr. Chaiwat Srivalwat
Chief Executive Officer