



BASF PETRONAS Chemicals realigns its portfolio for growth

Kuantan, Malaysia – November 18, 2020 – BASF PETRONAS Chemicals Sdn Bhd (BPC) a joint venture between BASF and PETRONAS Chemicals Group Berhad (PCG) is realigning its product portfolio focusing on long term growth.

As part of BASF's and PCG's ongoing review of their product portfolio and a result of the realignment, BPC will be closing its Butanediol ("BDO") and derivatives plant at Kuantan, Malaysia in March 2021. This decision will not impact other plants within the facility.

"As one of the leading companies in the business with BDO and derivatives, we are committed to continuous development in the BDO value chain. The recent measure is part of our strategy to ensure that we further improve our competitiveness in the markets where we add long-term value to both our customers' businesses and to BASF, as well as BPC," said Vasilios Galanos, Senior Vice President, Intermediates Asia Pacific, BASF.

"The decision to close the BDO plant will have long-term strategic benefits to BPC and its stakeholders, given the shift in business landscape as well as its unfavorable long term prospect. In line with PCG's own expansion plans which include developing a specialty chemicals segment, we are looking forward to producing new high value products using advanced technologies. This would enable us to access to new markets and customers, thus further enhancing our growth for business sustainability," said Datuk Sazali Hamzah, Managing Director and Chief Executive Officer, PCG.

"This decision is also a result of significant overcapacities in the region due to recent investments into new coal-based BDO production sites. BPC is reaching out to all customers to support a smooth transition and we will continue to serve our customers in the region with other products from BPC. In addition, BPC will work closely and provide assistance to our impacted employees in this transition period," explained Marko Murtonen, Managing Director, BPC.

BDO and its derivatives are essential chemical materials for the production of engineering plastics, polyurethanes, solvents and elastic spandex fibers.



About BASF PETRONAS Chemicals Sdn. Bhd.

BASF PETRONAS Chemicals Sdn. Bhd. is a Malaysia-based joint venture between BASF and Petroliaam Nasional Berhad (PETRONAS), Malaysia's fully integrated oil and gas multinational, under its subsidiary PETRONAS Chemicals Group Berhad (PCG). Incorporated in 1997, the company operates an integrated 'Verbund' site situated in the Gebeng Industrial Zone, Pahang. The company's share capital is 60% held by BASF and 40% held by PCG. Key products include acrylic monomers, oxo products, butanediol, 2-ethylhexanoic acid, highly reactive polyisobutene and aroma ingredients.

For more information, visit our website www.basf-petronas.com.my.

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