



PRESS RELEASE

Railway Assets Corporation (RAC) and AsPac Lubricants Malaysia Ink 30-Year Land Lease Agreement to Enable Modernization of BP Lubricants Blending Plant

The Railway Assets Corporation (RAC) and AsPac Lubricants (Malaysia) Sdn Bhd today concluded a 30-year land lease agreement to enable the modernization of BP's Lubricants Blending Plant in Port Klang, Selangor. The long-term lease covers a land area of 49,704.03 square meters.

Established in 1969, AsPac Lubricants (Malaysia) Sdn Bhd – a BP lubricants blending plant and warehouse – blends and packages various grades of Castrol and BP motor and gear oils, automatic transmission and hydraulic fluids and industrial lubricants. The operations currently employ more than 300 staff and contractors on its site.

The signing ceremony today was witnessed by Transport Minister Yang Berhormat Anthony Loke Siew Fook, British High Commissioner to Malaysia Her Excellency Vicki Treadall, Secretary General Ministry of Transport YBhg. Datuk Seri Hj. Saripuddin Bin Hj. Kasim and InvestKL Chairman Datuk Seri Michael Yam. Formalizing the signing ceremony was RAC General Manager En. Azhar bin Ahmad and Head of Country, BP Malaysia En. Ainol Roznain Yaacob.

The 30-year land lease will enable AsPac Lubricants (Malaysia) Sdn Bhd to develop plans for the modernization of the plant - known as Port Klang Installation - via an initial estimated investment of RM60million.

Port Klang Installation currently has a manufacturing capacity of 120 million liters of lubricants products per annum, and through the modernization plans it is projected that the production capacity will increase by 30 million liters per annum upon completion.

“We appreciate the continued support of the RAC and Transport Ministry in this land lease agreement, which will pave the way to ensure that we are fit for the future and continue to contribute towards the local economy through our operations,” said Ainol Yaacob, Head of Country, BP Malaysia.

“InvestKL is happy to see the growth of AsPac Lubricants (Malaysia) Sdn Bhd through its modernization plans from Greater Kuala Lumpur. This will provide new skilled jobs to our local talent and also contribute to the growth and expansion of their local partners,” added Datuk Seri Michael Yam, InvestKL Chairman.

The land lease is a part of RAC’s core business to generate sustainable income flows for the government through RAC-owned real estate, aligned with the provisions under Section 89 of the Railway Act 1991. The finalization of this long-term lease agreement is also testament to the potential of railway lands in developing infrastructure and modernizing railway stations. It is also a strong indication of the strategically placed locations of RAC-owned real estate which continues to attract investment opportunities from the private sector for development.

The land lease letter of offer was presented to AsPac Lubricants (Malaysia) Sdn Bhd on 31 July 2018, with the acceptance received on 2 August 2018. The RAC received the land lease application from AsPac Lubricants (Malaysia) Sdn Bhd on 1 July 2014. AsPac Lubricants (Malaysia) Sdn Bhd has leased the land from KTMB/RAC since 1990.

**PERBADANAN ASET KERETAPI &
ASPAC LUBRICANTS (MALAYSIA) SDN BHD
28 AUGUST 2018**

ABOUT BP IN MALAYSIA

BP has progressed significantly in Malaysia over the past 50 years from its modest beginning as a small petroleum marketing operation.

BP's strong presence in Malaysia today is spread across a diversified business framework covering the Global Business Services (GBS) Asia in Kuala Lumpur – the home of business process services for BP, Castrol Lubricants regional marketing hub also located in the capital, a lubricants blending plant in Port Klang, the Acetyls Asia regional trading and marketing operations and a non-operated joint venture acetic acid plant - BP PETRONAS Acetyls Sdn Bhd (BPPA) in Kerteh, Terengganu.

With a workforce of approximately 1,000 employees across the country, BP's total investments here including partner shares amount to more than USD2.5 billion, making BP one of the largest British investors in Malaysia.

BP's Lubricants and blending plant – Port Klang Installation – is an integral landmark of BP's presence in Malaysia, established in 1969 and now employing more than 300 employees and contractors.

Manufactured lubricants products cover both the Malaysian market and 15 other countries across the Asia Pacific region, bearing the strong brand name of Castrol. Approximately 64 percent of the company's products are exported while the remaining 36 percent caters to the local market.