PROPEL GLOBAL BERHAD ("PGB" OR THE "COMPANY")

PROVISION OF FINANCIAL ASSISTANCE BY WAY OF CORPORATE GUARANTEE GRANTED TO MIN SOON TRANSPORT COMPANY SDN BHD

1.0 INTRODUCTION

The Board of Directors of Propel Global Berhad ("PGB" or "the Company") wishes to announce that PGB has on 9 December 2025 provided financial assistance by way of corporate guarantee of RM2,680,916.00 granted to Min Soon Transport Company Sdn Bhd ("MST") to guarantee the payment obligation of Best Wide Engineering (M) Sdn Bhd ("BWE"), a subsidiary of PGB ("Provision of Corporate Guarantee").

2.0 DETAILS OF THE PROVISION OF CORPORATE GUARANTEE

Propel Oilfield Services Sdn Bhd (POSSB) is a 49% owned subsidiary of the Company. The non-controlling interests in POSSB have agreed to forgo their entitlement and share to the net assets and profits of POSSB. Accordingly, the PGB Group has not recognised any share of non-controlling interests in the statement of comprehensive income and statements of financial position for POSSB. The ownership interest held by the POSSB in BWE is 49%. Mr Rewi Hamid Bugo, a Non-Independent Non-Executive Director of the Company ("Rewi"), owns 51% interest in BWE. However, Rewi has agreed to forgo his entitlement and share to the net assets and profits of BWE of 41%. Accordingly, the PGB Group has not recognised his share of non-controlling interests of 41% in the statements of comprehensive income and statements of financial position for BWE and the PGB Group's effective interest in BWE is 90%.

BWE has on 2 December 2025 entered into a Subscription Agreement with MST to subscribe for 1,040,816 shares in MST at a subscription price of RM2,680,916.00 ("Proposed Subscription"). Subsequent to the Proposed Subscription, BWE will hold 51% equity interest in MST. Prior to the Proposed Subscription, MST has an issued share capital of RM1,000,000 comprising 1,000,000 ordinary shares and is engaged in the business of logistics and transport services in Sarawak.

The subscription price will be paid by BWE to MST in the following instalments:

Payment Date	Subscription Price
30 November 2025	RM500,000.00
28 February 2026	RM500,000.00
30 June 2026	RM500,000.00
31 October 2026	RM500,000.00
28 February 2027	RM680,916.00

Per the terms of the Subscription Agreement, MST requires PGB to guarantee the payment obligation of BWE of the subscription price and in this respect, PGB is to provide a corporate guarantee of RM2,680,916.00 to MST.

3.0 INFORMATION ON BWE

BWE was incorporated in Malaysia under the Companies Act 1965 on 7 October 1994 as a private limited company and is deemed registered under the Companies Act 2016. It is principally involved in the provision of engineering and technical works for the oil and gas industry. The services provided by BWE comprise mainly the following:

(i) engineering, procurement, construction and commissioning ("EPCC") of new plants and plant modification works;
(ii) design and supply of skidded process systems and engineered equipment for onshore plants and offshore platforms; and
(iii) project management and engineering consultancy services.

As at 9 December 2025, being the latest practicable date prior to this announcement ("LPD"), the total issued share capital of BWE is RM1,004,183.68 comprising 1,836,735 ordinary shares. The directors of BWE are Rewi, Jasniazrin Shah Bin Mohd Hata and Luqman Salehuddin Bin Md Salehuddin. As at the LPD, POSSB and Rewi are the registered holder of 49% and 51% of the total issued shares of BWE respectively.

4.0 RATIONALE OF THE PROVISION OF CORPORATE GUARANTEE

The Provision of Corporate Guarantees benefits the PGB Group as it facilitates the Proposed Subscription which aligns with PGB Group's strategic objective to strengthen its presence across the oil and gas value chain, including critical logistics and support services for upstream and midstream operations. The investment in MST complements the Group's integrated service offerings and positions it advantageously in Sarawak's growing energy infrastructure landscape.

5.0 RISK FACTORS OF THE PROVISION OF CORPORATE GUARANTEE

The Board does not envisage any specific risks associated with this Provision of Corporate Guarantee, apart from the general business risks faced by BWE which is operating within the oil and gas industry.

The Provision of Corporate Guarantees does not warrant immediate cash payouts, unless a default has been made by the BWE pursuant to the terms of the Proposed Subscription.

6.0 FINANCIAL EFFECTS OF THE PROVISION OF CORPORATE GUARANTEE

The Provision of Corporate Guarantee will not have any effect on the share capital, earnings per share, substantial shareholders and net tangible assets of the Company and the Group.

7.0 HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Provision of Corporate Guarantee is 2.98% of PGB's latest audited Group Net Asset of RM90.073 million and it is not subject to the approval of the shareholders of the Company or any other relevant authorities.

8.0 DIRECTORS’ AND MAJOR SHAREHOLDERS' INTERESTS

Rewi, a Non-Independent Non-Executive Director of the Company, is also a major shareholder of BWE and the Provision of Corporate Guarantee to MST in relation to the payment by BWE involves his interest and will constitute a related party transaction on provision of financial assistance. He has abstained from deliberation and voting on the related party transaction.

Save as disclosed above, none of the other Directors, major shareholders and/or persons connected to them have any interest, direct or indirect, in the Provision of Corporate Guarantee.

9.0 AUDIT COMMITTEE STATEMENT

The Audit Committee after having considered all aspects of the Provision of Corporate Guarantee, including but not limited to the rationale and benefit for the Proposed Subscription are of the opinion that the Provision of Corporate Guarantee is in the best interest of the Group, fair and reasonable and not detrimental to the interest of the non-interested shareholders of the Group.

10.0 TRANSACTION WITH SAME RELATED PARTY

Save for the Provision of Corporate Guarantee, there have been no other transactions pursuant to Paragraph 10.09 of the Listing Requirements, entered into between the PGB Group and Rewi during the past 12 months preceding the date of this announcement.

11.0 STATEMENT BY DIRECTORS

Save for the Interested Directors, the Board, having considered all aspects of the Provision of Corporate Guarantee, is of the opinion that it is in the best interest of the Company and the Group.

This announcement is dated 11 December 2025.