

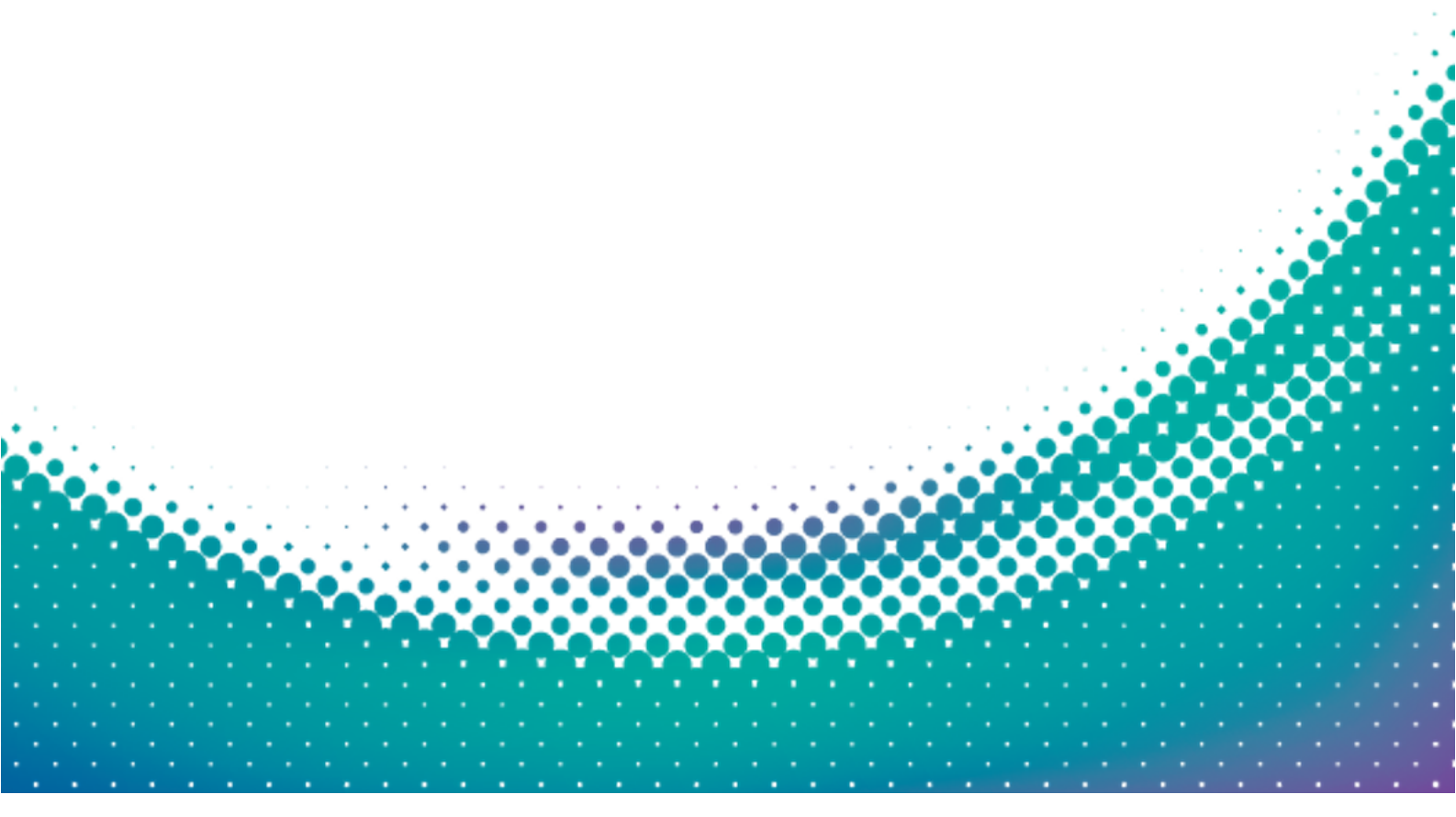


PETRONAS

PETRONAS CHEMICALS GROUP BERHAD

Quarterly Report

For First Quarter Ended 31 March 2025



QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

The Board of Directors of PETRONAS Chemicals Group Berhad ("PCG" or the "Company") is pleased to announce the following unaudited condensed consolidated financial statements for the quarter ended 31 March 2025 which should be read in conjunction with the accompanying explanatory notes on pages 8 to 21.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>In RM Mil</i>	Note	Individual quarter ended 31 March	
		2025	2024
Revenue	A9.1	7,656	7,499
Cost of revenue		(6,602)	(6,128)
Gross profit		1,054	1,371
Selling and distribution expenses		(519)	(507)
Administration expenses		(265)	(366)
Other expenses		(192)	(49)
Other income		125	398
Operating profit	B4	203	847
Financing costs		(88)	(43)
Share of (loss)/profit after tax of equity-accounted associates and joint ventures		(28)	1
Profit before taxation		87	805
Tax expense	B5	(69)	(102)
PROFIT FOR THE PERIOD		18	703
(Loss)/Profit attributable to:			
Shareholders of the Company		(18)	668
Non-controlling interests		36	35
PROFIT FOR THE PERIOD		18	703
Basic (loss)/earnings per share attributable to shareholders of the Company:			
Based on ordinary shares issued (sen)	B12	—	8

The unaudited condensed consolidated statement of profit or loss should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>In RM Mil</i>	Individual quarter ended 31 March	
	2025	2024
PROFIT FOR THE PERIOD	18	703
Other comprehensive income/(loss)		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement of defined benefit liability	3	—
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation differences	975	(267)
Share of other comprehensive (loss)/income of equity-accounted associates and joint ventures	(3)	44
Total other comprehensive income/(loss) for the period	975	(223)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	993	480
Total other comprehensive income attributable to:		
Shareholders of the Company	957	447
Non-controlling interests	36	33
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	993	480

The unaudited condensed consolidated statement of other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM Mil</i>	Note	As at 31 March 2025	As at 31 December 2024
ASSETS			
Property, plant and equipment		29,511	29,338
Investments in associates and joint ventures		1,350	1,339
Intangible assets		9,672	8,898
Long term receivables	A15	960	951
Retirement benefits		111	103
Deferred tax assets		648	632
TOTAL NON-CURRENT ASSETS		42,252	41,261
Trade and other inventories		4,132	4,086
Trade and other receivables	B7	4,809	4,705
Tax recoverable		37	37
Cash and cash equivalents		9,609	9,931
TOTAL CURRENT ASSETS		18,587	18,759
TOTAL ASSETS		60,839	60,020
EQUITY			
Share capital		8,871	8,871
Reserves		30,403	29,686
Total equity attributable to shareholders of the Company		39,274	38,557
Non-controlling interests		1,458	1,422
TOTAL EQUITY		40,732	39,979
LIABILITIES			
Borrowings	B8	2,494	2,419
Lease liabilities		1,942	1,874
Provisions		305	303
Trade payables	A16	758	745
Retirement benefits		276	255
Other long term liabilities		1,026	1,056
Deferred tax liabilities		2,315	2,198
TOTAL NON-CURRENT LIABILITIES		9,116	8,850
Borrowings	B8	1,101	795
Lease liabilities		268	224
Trade and other payables	A16	9,487	10,054
Taxation		135	118
TOTAL CURRENT LIABILITIES		10,991	11,191
TOTAL LIABILITIES		20,107	20,041
TOTAL EQUITY AND LIABILITIES		60,839	60,020
Net assets per share attributable to shareholders of the Company (RM)		4.91	4.82

The unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company			
	Non-distributable			
<i>In RM Mil</i>	Share Capital	Foreign Currency Translation Reserve	Merger Reserve	Other Reserves
Individual quarter ended 31 March 2025				
At 1 January 2025	8,871	1,295	(204)	1,525
Foreign currency translation differences	—	975	—	—
Share of other comprehensive loss of equity-accounted associates and joint ventures	—	—	—	(3)
Remeasurement of defined benefit liability	—	—	—	3
Total other comprehensive income/(loss) for the period	—	975	—	—
(Loss)/Profit for the period	—	—	—	—
Total comprehensive income/(loss) for the period	—	975	—	—
Dividends to shareholders of the Company (note A8)	—	—	—	—
Total transactions with owners of the Group	—	—	—	—
Balance at 31 March 2025	8,871	2,270	(204)	1,525

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Individual quarter ended 31 March 2024				
At 1 January 2024	8,871	3,195	(204)	1,517
Foreign currency translation differences	—	(265)	—	—
Share of other comprehensive income of equity-accounted associates and joint ventures	—	—	—	44
Total other comprehensive (loss)/income for the period	—	(265)	—	44
Profit for the period	—	—	—	—
Total comprehensive (loss)/income for the period	—	(265)	—	44
Dividends to shareholders of the Company	—	—	—	—
Dividends to non-controlling interests	—	—	—	—
Acquisition of a non-controlling interest	—	—	—	—
Total transactions with owners of the Group	—	—	—	—
Balance at 31 March 2024	8,871	2,930	(204)	1,561

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The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to shareholders of the Company		Non- controlling Interests	Total Equity
	Distributable			
<i>In RM Mil</i>	Retained Profits	Total		
Individual quarter ended 31 March 2025				
At 1 January 2025	27,070	38,557	1,422	39,979
Foreign currency translation differences	—	975	—	975
Share of other comprehensive loss of equity- accounted associates and joint ventures	—	(3)	—	(3)
Remeasurement of defined benefit liability	—	3	—	3
Total other comprehensive income/(loss) for the period	—	975	—	975
(Loss)/Profit for the period	(18)	(18)	36	18
Total comprehensive income/(loss) for the period	(18)	957	36	993
Dividends to shareholders of the Company (note A8)	(240)	(240)	—	(240)
Total transactions with owners of the Group	(240)	(240)	—	(240)
Balance at 31 March 2025	26,812	39,274	1,458	40,732
<i>continued from previous page</i>				
Individual quarter ended 31 March 2024				
At 1 January 2024	27,036	40,415	1,659	42,074
Foreign currency translation differences	—	(265)	(2)	(267)
Share of other comprehensive income of equity- accounted associates and joint ventures	—	44	—	44
Total other comprehensive (loss)/income for the period	—	(221)	(2)	(223)
Profit for the period	668	668	35	703
Total comprehensive (loss)/income for the period	668	447	33	480
Dividends to shareholders of the Company	(400)	(400)	—	(400)
Dividends to non-controlling interests	—	—	(34)	(34)
Acquisition of a non-controlling interest	100	100	(167)	(67)
Total transactions with owners of the Group	(300)	(300)	(201)	(501)
Balance at 31 March 2024	27,404	40,562	1,491	42,053
<i>continued from previous page</i>				

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM Mil</i>	Individual quarter ended	
	2025	31 March 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	87	805
Adjustments for:		
- Amortisation of deferred income	(22)	(22)
- Depreciation and amortisation	611	532
- Financing costs	88	43
- Interest income	(87)	(90)
- Share of loss/(profit) after tax of equity-accounted associates and joint ventures	28	(1)
- Unrealised loss/(gain) on foreign exchange	148	(269)
- Other non-cash items	(82)	121
Operating profit before changes in working capital	771	1,119
Change in trade and other inventories	29	(283)
Change in trade and other receivables	(102)	(437)
Change in trade and other payables	56	629
Cash generated from operations	754	1,028
Interest income received	87	90
Taxation paid	(63)	(60)
Net cash generated from operating activities	778	1,058
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a non-controlling interest	—	(67)
Investment in an associate	(44)	—
Payment of earn out for a subsidiary	(92)	(96)
Proceeds from disposal of property, plant and equipment	1	—
Proceeds from partial disposal of investment in a joint venture	—	4
Purchase of property, plant and equipment	(587)	(502)
Redemption of preference shares in a joint venture	—	2
Redemption of preference shares to a non-controlling interest	—	(15)
Net cash used in investing activities	(722)	(674)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to:		
- PETRONAS	(154)	(257)
- others (third parties)	(86)	(143)
- non-controlling interests	—	(34)
Drawdown of revolving credit	1,669	59
Payment of lease liabilities:		
- principal	(45)	(40)
- interest	(17)	(20)
Repayment of revolving credit	(1,357)	(218)
Repayment of term loans:		
- principal	(1)	(1)
- interest	(37)	(2)
Net cash used in financing activities	(28)	(656)

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QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In RM Mil

Net cash flows from operating, investing and financing activities

Effect of foreign currency translation differences

Net decrease in cash and cash equivalents

Net foreign exchange differences on cash held

Cash and cash equivalents at beginning of the period

Cash and cash equivalents at end of the period

**Individual quarter ended
31 March**

2025

2024

28

(272)

(328)

(32)

(300)

(304)

(17)

100

9,926

9,268

9,609

9,064

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QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The condensed consolidated financial statements are unaudited and have been prepared in accordance with IAS 34, MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. They should also be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2024. The explanatory notes attached to the condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2024.

Within the context of these unaudited condensed consolidated financial statements, the Group comprises the Company, its subsidiaries and a joint operation, as well as the Group's interest in associates and joint ventures as at and for the quarter ended 31 March 2025.

A2. ADOPTION OF REVISED PRONOUNCEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the same accounting policies and methods of computation are followed in the condensed consolidated financial statements as compared with the audited consolidated financial statements for the year ended 31 December 2024.

During the period, the Group has adopted the following Amendments to MFRS ("pronouncement") that has been issued by the Malaysian Accounting Standards Board ("MASB").

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)*

The initial application of the above pronouncement did not have any material impact to the consolidated financial statements of the Group.

A3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of PCG and its subsidiaries for the year ended 31 December 2024 were not subject to any audit qualification.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The prices of petrochemical products and their underlying feedstock are subject to significant fluctuations as they are influenced both by global supply and demand as well as movements in the prices of key commodities such as crude oil and natural gas. Consequently, margins have historically been cyclical and are sensitive to supply and demand imbalances both domestically and internationally. Supply is affected by significant capacity expansions by producers, and if such additions are not matched by corresponding growth in demand, which is generally linked to the level of economic activity, average industry operating margins will face downward pressures. As a result, the petrochemical cycle is characterised by years of tight supply, leading to high capacity utilisation rates and margins, followed by years of oversupply, primarily resulting from significant capacity additions, leading to reduced capacity utilisation rates and margins. Specialties segment generally experience less cyclicalities due to the higher customised requirements of the products and more barriers for substitution.

A5. EXCEPTIONAL ITEMS

There were no exceptional items during the period under review.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of the amounts reported in the most recent annual financial statements of PCG and its subsidiaries for the year ended 31 December 2024 that may have a material effect in the results of the period under review.

A7. DEBT AND EQUITY SECURITIES

There were no material issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the period under review, other than as disclosed in note B8.

A8. DIVIDENDS PAID

During the period under review, the Company paid a second interim single tier dividend of 3 sen per ordinary share, amounting to RM240 million in respect of the financial year ended 31 December 2024 to shareholders on 20 March 2025.

A9. OPERATING SEGMENTS

The Group reportable segments comprise Olefins and Derivatives, Fertilisers and Methanol, Specialties and Others. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- Olefins and Derivatives – activities include manufacturing and marketing of a wide range of olefin and polymer products, which are used as basic feedstock for other products, to intermediate products including basic and high performance chemicals.
- Fertilisers and Methanol – activities include manufacturing and marketing of methanol and a range of nitrogen, phosphate and compound fertilisers.
- Specialties – activities include manufacturing and marketing of advanced chemicals & solutions, animal nutrition, silicones and lube oil additives & chemicals.
- Others – other non reportable segments comprise operations related to investment holding and port services which provide product distribution infrastructure to the Group.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A9. OPERATING SEGMENTS (continued)

9.1 Revenue

In RM Mil					Individual quarter ended 31 March	
	2025	2024	2025	2024	2025	2024
	Third-parties		Inter-segment		Gross total	
Olefins and Derivatives	3,513	3,745	—	—	3,513	3,745
Fertilisers and Methanol	2,498	1,994	—	—	2,498	1,994
Specialties	1,632	1,742	—	—	1,632	1,742
Others	13	18	11	16	24	34
Total	7,656	7,499	11	16	7,667	7,515

9.2 Segment (loss)/profit for the period ¹

In RM Mil			Individual quarter ended 31 March	
	2025	2024	2025	2024
Olefins and Derivatives	(356)	238		
Fertilisers and Methanol	627	462		
Specialties	(142)	71		
Others ²	(111)	(68)		
Total	18	703		

During the period, the Group's investment holding company has provided for depreciation & amortisation of the tangible & intangible assets impact amounting to RM58 million (2024: RM63 million) arising from finalisation of the purchase price allocation for the acquisition of Perstorp in 2022 and has also recorded an unrealised foreign exchange loss on revaluation of shareholders loan to a joint operation entity amounting to RM23 million as compared to unrealised foreign exchange gain of RM107 million during the corresponding period, in which both have been included in Others.

A10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment for the period under review. As at 31 March 2025, all property, plant and equipment other than freehold land and projects-in-progress were stated at cost less accumulated depreciation and impairment losses. Freehold land and projects-in-progress were stated at cost less accumulated impairment losses, if any.

A11. CONTINGENCIES

There were no material contingent liabilities or contingent assets since the last audited consolidated financial statements for the year ended 31 December 2024.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the period under review.

¹ Included within profit for the period for Olefins and Derivatives, Fertilisers and Methanol, Specialties and Others segments are depreciation and amortisation expenses amounting to RM222 million (2024: RM134 million), RM236 million (2024: RM247 million), RM88 million (2024: RM81 million) and RM65 million (2024: RM70 million) respectively.

² Includes profit/(loss) from non-reportable segments and unallocated assets.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A13. CAPITAL COMMITMENTS

Capital expenditures which have not been provided for at the end of each reporting period are as follows:

<i>In RM Mil</i>	As at 31 March 2025	As at 31 December 2024
Property, plant and equipment:		
Approved and contracted for	1,016	1,058
Approved but not contracted for	2,223	2,594
	<u>3,239</u>	<u>3,652</u>
Lease contracts yet to commence:		
Plant and equipment	5	4
Total	<u>3,244</u>	<u>3,656</u>

A14. GOODWILL

Below is the movement of goodwill during the period under review:

<i>In RM Mil</i>	As at 1 January 2025	Foreign currency translation	As at 31 March 2025
Goodwill	<u>3,106</u>	<u>284</u>	<u>3,390</u>

A15. LONG TERM RECEIVABLES

<i>In RM Mil</i>	As at 31 March 2025	As at 31 December 2024
Trade receivable	16	16
Other receivables and prepayments	944	935
	<u>960</u>	<u>951</u>

The Group via its subsidiary has entered into an arrangement on trade receivable which resulted in adjustment of timing for payments of the balances. The receivable was fair valued on initial measurement and is subjected to periodic accretion of interest income over the period of the arrangement.

Included in other receivables and prepayments is consideration on a deferred payment arrangement in relation to a partial divestment of a subsidiary in 2023.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A16. TRADE AND OTHER PAYABLES

<i>In RM Mil</i>	As at 31 March 2025	As at 31 December 2024
Non-current liabilities		
Trade payables	758	745
Current liabilities		
Trade and other payables	9,487	10,054

The Group and the Company via its joint operation entity has arrangements on trade payables amounting to RM1,641 million (2024: RM1,651 million), which resulted in an adjustment of timing for payments of the balances. The trade payables were fair valued on initial measurement and is subjected to periodic accretion of interest expense over the period of the arrangement.

A17. FAIR VALUE INFORMATION

The carrying amounts of cash and cash equivalents, short terms receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable input).

The Group recognises transfers between levels of fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Forward foreign exchange contracts

The fair value of forward foreign exchange contracts is based on the difference between the contracted forward rates and the mark-to-market rates. If a quoted market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract.

The following table analyses financial instruments carried at fair value shown in the statement of financial position.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A17. FAIR VALUE INFORMATION (continued)

As at 31 March 2025

Fair value of financial instruments carried at fair value

<i>In RM Mil</i>	Level 1	Level 2	Level 3	Total	Nominal value
Financial assets					
Forward foreign exchange contracts					
- within 1 year	—	6	—	6	154
Financial liabilities					
Forward foreign exchange contracts					
- within 1 year	—	(2)	—	(2)	369

As at 31 December 2024

Fair value of financial instruments carried at fair value

<i>In RM Mil</i>	Level 1	Level 2	Level 3	Total	Nominal value
Financial assets					
Forward foreign exchange contracts					
- within 1 year	—	4	—	4	118
Financial liabilities					
Forward foreign exchange contracts					
- within 1 year	—	(6)	—	(6)	548

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART B – OTHER EXPLANATORY NOTES

B1. REVIEW OF GROUP PERFORMANCE

(a) Performance of the current quarter against the corresponding quarter

	Individual quarter ended 31 March							
	2025	2024	2025	2024	2025	2024	2025	2024
<i>In RM Mil</i>	Group		Olefins and Derivatives		Fertilisers and Methanol		Specialties	
Revenue	7,656	7,499	3,513	3,745	2,498	1,994	1,632	1,742
Profit/(Loss) after tax	18	703	(356)	238	627	462	(142)	71
EBITDA ³	892	1,160	(43)	398	892	720	52	118

PCG Group recorded higher plant utilisation rate of 94% as compared to 87% in the corresponding quarter due to improved plant performance as well as lower statutory plant turnaround and maintenance activities, mainly from Fertilisers and Methanol segment, resulting in higher production.

Revenue was higher by RM157 million or 2% at RM7.7 billion mainly due to higher sales volume, partially offset by strengthening of Ringgit Malaysia against US Dollar.

EBITDA, however, was lower by RM268 million or 23% at RM892 million on lower product spreads and lower contribution from a joint operation entity due to unavailability of feedstock and unrealised foreign exchange loss on revaluation of payables.

Profit after tax was lower by RM685 million at RM18 million in line with lower EBITDA, unfavourable net foreign exchange impact from Specialties segment as well as higher depreciation, finance costs and unrealised foreign exchange loss on revaluation of shareholders loan to a joint operation entity.

Olefins and Derivatives

The segment's operational performance recorded comparable plant utilisation rate of 87% against corresponding quarter mainly impacted by utilities supply disruptions at Kertih, despite lower plant maintenance activities during the quarter.

Revenue was lower by RM232 million or 6% at RM3.5 billion, primarily attributed to lower product prices, strengthening of Ringgit Malaysia against US Dollar, partially offset by higher sales volume.

EBITDA, however, was lower by RM441 million on lower product spreads and lower contribution from a joint operation entity due to unavailability of feedstock and unrealised foreign exchange loss on revaluation of payables.

The segment recorded loss after tax of RM356 million as compared to profit after tax in the corresponding quarter of RM238 million in line with lower EBITDA and higher depreciation, finance costs and unrealised foreign exchange loss on revaluation of shareholders loan to a joint operation entity.

Fertilisers and Methanol

The segment recorded higher plant utilisation rate of 98% as compared to 86% in the corresponding quarter mainly due to improved plant performance as well as lower statutory plant turnaround and maintenance activities.

The segment recorded higher revenue by RM504 million or 25% at RM2.5 billion, primarily driven by higher product prices and sales volume, partially offset by strengthening of Ringgit Malaysia against US Dollar.

³ EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of profit after tax of equity accounted joint ventures and associates and other significant non-cash items.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B1. REVIEW OF GROUP PERFORMANCE (continued)

(a) Performance of the current quarter against the corresponding quarter (continued)

EBITDA was higher by RM172 million or 24% at RM892 million mainly due to higher sales volume and higher product spreads. Profit after tax was higher by RM165 million or 36% at RM627 million in line with higher EBITDA.

Specialties

The segment's revenue was lower by RM110 million or 6% at RM1.6 billion mainly due to lower sales volume.

EBITDA was lower by RM66 million or 56% at RM52 million in line with lower sales volume. The segment recorded loss after tax at RM142 million as compared to profit after tax of RM71 million in corresponding quarter mainly contributed by unfavourable net foreign exchange movement.

(b) Variation of results against the preceding quarter

<i>In RM Mil</i>	Individual quarter ended	
	31 March 2025	31 December 2024
Revenue	7,656	7,458
Profit after tax	18	539
EBITDA ⁴	892	710

PCG Group recorded marginally lower plant utilisation rate of 94% against preceding quarter resulting from the utilities supply disruptions at Kertih, negated by lower statutory plant turnaround and maintenance activities.

Revenue was higher by RM198 million or 3% at RM7.7 billion mainly due to higher product prices and higher revenue contribution from Specialties segment, partially offset by lower sales volume.

EBITDA was higher by RM182 million or 26% at RM892 million mainly due to lower operating costs and higher product spreads, partially offset by lower contribution from a joint operation entity resulting from unavailability of feedstock and unrealised foreign exchange loss on revaluation of payables.

However, profit after tax was lower by RM521 million at RM18 million mainly due to unrealised foreign exchange loss on revaluation of shareholders loan to a joint operation entity, lower finance income arising from adjustment of timing for payment of trade payables in the preceding quarter and unfavourable net foreign exchange impact from Specialties segment.

⁴ EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of profit after tax of equity accounted joint ventures and associates and other significant non-cash items.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B1. REVIEW OF GROUP PERFORMANCE (continued)

(c) Highlight on consolidated statement of financial position

<i>In RM Mil</i>	As at 31 March 2025	As at 31 December 2024
Total assets	60,839	60,020
Total equity	40,732	39,979
ROE (%)	1.2	2.9

The Group's total assets were comparable at RM60.8 billion.

(d) Highlight on consolidated statement of cash flows

<i>In RM Mil</i>	Individual quarter ended 31 March 2025	31 March 2024
Net cash generated from operating activities	778	1,058
Net cash used in investing activities	(722)	(674)
Net cash used in financing activities	(28)	(656)

Net cash generated from operating activities was lower by RM280 million or 26% at RM778 million in line with movement in working capital.

Net cash used in investing activities was higher by RM48 million or 7% at RM722 million primarily due higher purchase of property, plant and equipment.

Net cash used in financing activities for the period was lower by RM628 million at RM28 million as compared to corresponding period mainly due to higher net drawdown from revolving credit and lower dividend payment to shareholders.

B2. COMMENTARY ON PROSPECTS

The results of the Group's operations are primarily influenced by global economic conditions, petrochemical products prices which have a high correlation to crude oil price, particularly for the Olefins and Derivatives segment, utilisation rate of our production facilities and foreign exchange rate movements.

The utilisation of our production facilities is dependent on plant maintenance activities and sufficient availability of feedstock as well as utilities supply. The Group will continue with its operational excellence programme and supplier relationship management to sustain plant utilisation level at above industry benchmark.

The Group anticipates product prices for olefins and derivatives to be impacted by the implications of US tariffs, additional supply from new capacities and weak downstream demand. Fertiliser product prices are forecasted to be firm with limited supply from the Middle East amidst seasonal demand from India, Southeast Asia and Australia. However, ammonia and methanol product prices are forecasted to be soft due to ample supply and persistent weak demand from industrial and gasoline blending sectors. For specialties, the Group remains cautious in navigating the challenging market conditions, as we anticipate demand uncertainty to persist across most of our end markets.

B3. PROFIT FORECAST OR PROFIT GUARANTEE

The Group does not publish any profit forecast or profit guarantee.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B4. OPERATING PROFIT

<i>In RM Mil</i>	Individual quarter ended 31 March	
	2025	2024
Included in profit for the period are the following charges:		
Depreciation and amortisation	611	532
Inventories written down to net realisable value	—	56
Net loss on foreign exchange	192	—
Write off of investment in a joint venture	—	24
and credits:		
Interest income	87	90
Reversal of write-down of inventory to net realisable value	95	—
Amortisation of deferred income	22	22
Net gain on foreign exchange	—	268

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

Foreign exchange exposure / hedging policy

The Group is exposed to varying levels of foreign exchange risk when they enter into transactions that are not denominated in the respective companies' functional currencies and when foreign currency monetary assets & liabilities are retranslated at the reporting date. The main underlying economic currencies of the Group's cash flows are Ringgit Malaysia and US Dollar.

The Group's foreign exchange management policies aim to minimise transactional exposure arising from currency movements. The Group mainly relies on the natural hedge arising from most of its revenue and expenses being denominated in US Dollar. In addition, the Group, where applicable, hedge using derivative instruments in respect of current and forecasted transactions.

B5. TAX EXPENSE

<i>In RM Mil</i>	Individual quarter ended 31 March	
	2025	2024
Current tax expenses		
Current period tax	67	45
	67	45
Deferred tax expenses		
Origination and reversal of temporary differences	2	57
	2	57
	69	102

The Group's effective tax rates for the quarter ended 31 March 2025 and 2024 are 79% and 13% respectively which, are reflective of the various tax legislation within which the Group operates including among others Malaysia Income Tax Act 1967 and Global Incentive for Trading (GIFT) under Labuan Financial Services and Securities Act 2010.

The higher effective tax rate for the current quarter ended 31 March 2025 against the Malaysian income tax rate of 24% is due to non-deductible expenses in relation to unrealised foreign exchange losses during the quarter. Corresponding quarter's lower effective tax rate against the Malaysian income tax rate of 24% is due to lower tax rate benefited from GIFT incentive.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B6. STATUS OF CORPORATE PROPOSALS

There were no new corporate proposals during the period under review since the last audited consolidated financial statements for the year ended 31 December 2024.

B7. TRADE AND OTHER RECEIVABLES

(a) Details of Group trade and other receivables

<i>In RM Mil</i>	As at 31 March 2025	As at 31 December 2024
Trade receivables:		
– Third party	3,028	3,011
– Associates and joint ventures	142	127
– Related companies	139	149
Other receivables	1,500	1,418
Total	4,809	4,705

Average credit term for trade receivables granted to related parties and non-related parties is 51 days.

(b) Ageing analysis of trade receivables

<i>In RM Mil</i>	As at 31 March 2025	As at 31 December 2024
Current	3,216	3,168
Past due 1 to 30 days	98	122
Past due 31 to 60 days	8	7
Past due more than 60 days	3	6
Total	3,325	3,303

With respect to the Group's trade receivables, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B8. BORROWINGS

		In denominated currency		In presentation currency	
	Denominated currency	As at 31 March 2025 Mil	As at 31 December 2024 Mil	As at 31 March 2025 RM Mil	As at 31 December 2024 RM Mil
Non-current					
Term loans - secured	USD	313	313	1,389	1,396
Term loan - unsecured	USD	166	165	736	736
Term loans - unsecured	EUR	1	1	4	4
Revolving credit - unsecured	SEK	725	700	321	283
Revolving credit - unsecured	USD	10	—	44	—
				2,494	2,419
Current					
Term loans - secured	USD	30	30	133	134
Term loans - unsecured	CNY	20	20	12	13
Term loans - unsecured	EUR	31	31	148	143
Revolving credit - unsecured	SEK	1,525	800	676	323
Revolving credit - unsecured	USD	28	38	123	168
Revolving credit - unsecured	EUR	2	2	9	9
Bank overdraft - unsecured	SEK	—	14	—	5
				1,101	795

The USD unsecured term loan is pursuant to the co-borrowing agreement between the joint operation entity and a related party under an integrated borrowing structure. The loan which bears nil interest was fair valued as a Level 3 fair value on initial recognition with an effective interest rate ranging from 2.33% to 4.18% per annum and is repayable between 2027 to 2029.

There are two EUR unsecured term loans which bear interest rate of 0.71% per annum and interest margin above EURIBOR of 0.85% per annum respectively. These loans are repayable on various dates between 2025 and 2027 respectively.

There are two CNY term loans which bear interests of 3.05% and 3.60% per annum respectively.

The SEK unsecured revolving credits bear interests ranging from 3.09% to 3.40% per annum.

The USD unsecured revolving credits bear interests ranging from 4.98% to 5.35% per annum.

The EUR unsecured revolving credit bears interest rate of 3.83% per annum.

The USD secured term loans relate to 50% share of project financing facility of a joint operation entity. The loans bear interest margin above 6-month USD SOFR ranging from 0.80% to 1.74% per annum and is repayable on various dates between 2021 and 2034.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B8. BORROWINGS (continued)

The term loans are secured in the following manner:

- i. Completion guarantee from the ultimate holding company, which is a fully recourse guarantee to the Company, where the ultimate holding company guarantee on several and not joint basis which will be uplifted and terminated upon meeting all project completion requirements;
- ii. Cross-guarantee arrangement under an integrated borrowing structure due to the nature of the project with a related party; and
- iii. Charge over ordinary shares and the land lease rights of the said joint operation entity.

The Guaranteed Project Completion Date ("PCD") was extended from 31 December 2023 to 31 December 2025.

B9. DERIVATIVE FINANCIAL INSTRUMENTS

There were no changes to the Group's derivative financial instruments since the last audited consolidated financial statements for the year ended 31 December 2024, other than as disclosed in note A17.

B10. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group does not have any financial liabilities that are measured at fair value (other than derivative financial instruments) for the period under review.

B11. MATERIAL LITIGATION

There was no pending material litigation since the last audited consolidated financial statements for the year ended 31 December 2024.

B12. BASIC (LOSS)/EARNINGS PER SHARE

Basic earnings per share is derived based on the profit attributable to shareholders of the Company and number of ordinary shares of the Company.

	Individual quarter ended 31 March	
<i>In RM Mil</i>	2025	2024
(Loss)/Profit for the period attributable to shareholders of the Company	(18)	668
<i>In millions of shares</i>		
Number of ordinary shares issued	8,000	8,000
<i>In sen</i>		
Basic (loss)/earnings per share	—	8

As at the date of the statement of financial position, the Company does not have any instruments which may have a dilutive impact on the basic earnings per share.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B13. EXCHANGE RATES

	31 March 2025	Individual quarter ended	
		31 December 2024	31 March 2024
USD/MYR			
Average rate	4.4501	4.3950	4.7233
Closing rate	4.4325	4.4600	4.7375
EUR/MYR			
Average rate	4.6799	4.6895	5.1295
Closing rate	4.7849	4.6402	5.1089
SEK/MYR			
Average rate	0.4168	0.4080	0.4549
Closing rate	0.4433	0.4043	0.4426

By order of the Board

Azira Marini Binti Ab Rahim (SSM Practising Certificate No. 201908001107)
Mek Yam @ Mariam Hassan (SSM Practising Certificate No. 201908000788)
Company Secretaries

Kuala Lumpur
20 May 2025