PETRONAS CHEMICALS GROUP BERHAD
Quarterly Report

For Second Quarter Ended 30 June 2025

PETRONAS CHEMICALS GROUP BERHAD 199801003704 (459830-K)

QUARTERLY REPORT
FOR SECOND QUARTER ENDED 30 JUNE 2025

The Board of Directors of PETRONAS Chemicals Group Berhad ("PCG" or the "Company") hereby announce the following unaudited condensed consolidated financial statements for the quarter ended 30 June 2025 which should be read in conjunction with the accompanying explanatory notes on pages 8 to 24.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Individual quarter ended 30 June		Cumulative quarter ended 30 June	
In RM Mil	**Note**	**2025**	**2024**	**2025**	**2024**
Revenue	**A9.1**	**6,437**	7,728	**14,093**	15,227
Cost of revenue		**(5,757)**	(6,255)	**(12,359)**	(12,383)
Gross profit		**680**	1,473	**1,734**	2,844
Selling and distribution expenses		**(494)**	(523)	**(1,013)**	(1,030)
Administration expenses		**(348)**	(400)	**(613)**	(766)
Other expenses		**(1,023)**	(63)	**(1,215)**	(51)
Other income		**252**	549	**377**	886
Operating (loss)/profit	**B4**	**(933)**	1,036	**(730)**	1,883
Financing costs		**(88)**	(30)	**(176)**	(73)
Share of loss after tax of equity-accounted associates and joint ventures		**(27)**	(66)	**(55)**	(65)
(Loss)/Profit before taxation		**(1,048)**	940	**(961)**	1,745
Tax expense	**B5**	**1**	(131)	**(68)**	(233)
(LOSS)/PROFIT FOR THE PERIOD		**(1,047)**	809	**(1,029)**	1,512
(Loss)/Profit attributable to:					
Shareholders of the Company		**(1,081)**	777	**(1,099)**	1,445
Non-controlling interests		**34**	32	**70**	67
(LOSS)/PROFIT FOR THE PERIOD		**(1,047)**	809	**(1,029)**	1,512
Basic (loss)/earnings per share attributable to shareholders of the Company:					
Based on ordinary shares issued (sen)	**B13**	**(14)**	10	**(14)**	18

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

In RM Mil	Individual quarter ended 30 June 2025	Individual quarter ended 30 June 2024	Cumulative quarter ended 30 June 2025	Cumulative quarter ended 30 June 2024
(LOSS)/PROFIT FOR THE PERIOD	**(1,047)**	809	**(1,029)**	1,512
Other comprehensive (loss)/income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability	**(1)**	(1)	**2**	(1)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences	**(296)**	(26)	**679**	(293)
Share of other comprehensive (loss)/income of equity-accounted associates and joint ventures	**(69)**	(5)	**(72)**	39
Total other comprehensive (loss)/income for the period	**(366)**	(32)	**609**	(255)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(1,413)**	777	**(420)**	1,257
Total other comprehensive (loss)/income attributable to:				
Shareholders of the Company	**(1,446)**	743	**(489)**	1,190
Non-controlling interests	**33**	34	**69**	67
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(1,413)**	777	**(420)**	1,257

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In RM Mil	Note	As at 30 June 2025	As at 31 December 2024
ASSETS			
Property, plant and equipment		28,283	29,338
Investments in associates and joint ventures		1,277	1,339
Intangible assets		9,703	8,898
Long term receivables	A15	963	951
Retirement benefits		110	103
Deferred tax assets		613	632
TOTAL NON-CURRENT ASSETS		40,949	41,261
Trade and other inventories		4,161	4,086
Trade and other receivables	B7	3,993	4,705
Tax recoverable		35	37
Cash and cash equivalents		9,708	9,931
TOTAL CURRENT ASSETS		17,897	18,759
TOTAL ASSETS		58,846	60,020
EQUITY			
Share capital		8,871	8,871
Reserves		28,957	29,686
Total equity attributable to shareholders of the Company		37,828	38,557
Non-controlling interests		1,491	1,422
TOTAL EQUITY		39,319	39,979
LIABILITIES			
Borrowings	B8	2,120	2,419
Lease liabilities		1,827	1,874
Provisions		317	303
Trade payables	A16	912	745
Retirement benefits		279	255
Other long term liabilities		1,004	1,056
Deferred tax liabilities		2,232	2,198
TOTAL NON-CURRENT LIABILITIES		8,691	8,850
Borrowings	B8	1,344	795
Lease liabilities		279	224
Trade and other payables		9,087	10,054
Taxation		126	118
TOTAL CURRENT LIABILITIES		10,836	11,191
TOTAL LIABILITIES		19,527	20,041
TOTAL EQUITY AND LIABILITIES		58,846	60,020
Net assets per share attributable to shareholders of the Company (RM)		4.73	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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company			
	Non-distributable			
In RM Mil	**Share Capital**	**Foreign Currency Translation Reserve**	**Merger Reserve**	**Other Reserves**
Cumulative quarter ended 30 June 2025				
At 1 January 2025	8,871	1,295	(204)	1,525
Foreign currency translation differences	–	680	–	–
Share of other comprehensive loss of equity-accounted associates and joint ventures	–	–	–	(72)
Remeasurement of defined benefit liability	–	–	–	2
Total other comprehensive income/(loss) for the period	–	680	–	(70)
(Loss)/Profit for the period	–	–	–	–
Total comprehensive income/(loss) for the period	–	680	–	(70)
Dividends to shareholders of the Company (note A8)	–	–	–	–
Total transactions with owners of the Group	–	–	–	–
Balance at 30 June 2025	8,871	1,975	(204)	1,455

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Cumulative quarter ended 30 June 2024				
At 1 January 2024	8,871	3,195	(204)	1,517
Foreign currency translation differences	–	(293)	–	–
Share of other comprehensive income of equity-accounted associates and joint ventures	–	–	–	39
Remeasurement of defined benefit liability	–	–	–	(1)
Total other comprehensive (loss)/income for the period	–	(293)	–	38
Profit for the period	–	–	–	–
Total comprehensive (loss)/income for the period	–	(293)	–	38
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 30 June 2024	8,871	2,902	(204)	1,555

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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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to shareholders of the Company			
	Distributable			
In RM Mil	Retained Profits	Total	Non-controlling Interests	Total Equity
Cumulative quarter ended 30 June 2025				
At 1 January 2025	27,070	38,557	1,422	39,979
Foreign currency translation differences	—	680	(1)	679
Share of other comprehensive loss of equity-accounted associates and joint ventures	—	(72)	—	(72)
Remeasurement of defined benefit liability	—	2	—	2
Total other comprehensive income/(loss) for the period	—	610	(1)	609
(Loss)/Profit for the period	(1,099)	(1,099)	70	(1,029)
Total comprehensive income/(loss) for the period	(1,099)	(489)	69	(420)
Dividends to shareholders of the Company (note A8)	(240)	(240)	—	(240)
Total transactions with owners of the Group	(240)	(240)	—	(240)
Balance at 30 June 2025	25,731	37,828	1,491	39,319

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Cumulative quarter ended 30 June 2024				
At 1 January 2024	27,036	40,415	1,659	42,074
Foreign currency translation differences	—	(293)	—	(293)
Share of other comprehensive income of equity-accounted associates and joint ventures	—	39	—	39
Remeasurement of defined benefit liability	—	(1)	—	(1)
Total other comprehensive (loss)/income for the period	—	(255)	—	(255)
Profit for the period	1,445	1,445	67	1,512
Total comprehensive (loss)/income for the period	1,445	1,190	67	1,257
Dividends to shareholders of the Company	(400)	(400)	—	(400)
Dividends to non-controlling interests	—	—	(36)	(36)
Acquisition of a non-controlling interest	100	100	(167)	(67)
Total transactions with owners of the Group	(300)	(300)	(203)	(503)
Balance at 30 June 2024	28,181	41,305	1,523	42,828

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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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In RM Mil	Cumulative quarter ended 30 June 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	**(961)**	1,745
Adjustments for:		
- Amortisation of deferred income	**(44)**	(44)
- Depreciation and amortisation	**1,219**	1,061
- Financing costs	**176**	73
- Finance expense/(income)	**114**	(373)
- Interest income	**(174)**	(184)
- Share of loss after tax of equity-accounted associates and joint ventures	**55**	65
- Impairment losses on property, plant and equipment	**431**	—
- Unrealised loss/(gain) on foreign exchange	**594**	(220)
- Other non-cash items	**101**	(83)
Operating profit before changes in working capital	**1,511**	2,040
Change in trade and other inventories	**(162)**	(415)
Change in trade and other receivables	**715**	(987)
Change in trade and other payables	**(812)**	930
Cash generated from operations	**1,252**	1,568
Interest income received	**174**	184
Taxation paid	**(126)**	(104)
Net cash generated from operating activities	**1,300**	1,648
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a non-controlling interest	**—**	(67)
Investment in an associate	**(79)**	—
Dividend received from a joint venture	**12**	—
Payment of earn out for a subsidiary	**(94)**	(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	**(899)**	(1,043)
Redemption of preference shares to a non-controlling interest	**—**	(15)
Redemption of preference shares in a joint venture	**—**	2
Net cash used in investing activities	**(1,059)**	(1,215)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to:		
- PETRONAS	**(154)**	(257)
- others (third parties)	**(86)**	(143)
- non-controlling interests	**—**	(36)
Drawdown of:		
- term loan	**149**	13
- revolving credit	**3,489**	1,910
Payment of lease liabilities:		
- principal	**(92)**	(81)
- interest	**(37)**	(40)
Repayment of revolving credit	**(3,134)**	(1,520)
Repayment of term loans:		
- principal	**(223)**	(83)
- interest	**(72)**	(73)
Net cash used in financing activities	**(160)**	(310)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Cumulative quarter ended 30 June	
In RM Mil	**2025**	**2024**
Net cash flows from operating, investing and financing activities	**81**	123
Effect of foreign currency translation differences	**(32)**	(64)
Net increase in cash and cash equivalents	**49**	59
Net foreign exchange differences on cash held	**(267)**	83
Cash and cash equivalents at beginning of the period	**9,926**	9,268
Cash and cash equivalents at end of the period	**9,708**	9,410

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

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 30 June 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.

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 cyclicality 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.

A9. OPERATING SEGMENTS (continued)

9.1 Revenue

					Cumulative quarter ended 30 June	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
In RM Mil		**Third-parties**		**Inter-segment**		**Gross total**
Olefins and Derivatives	**6,158**	7,513	**–**	–	**6,158**	7,513
Fertilisers and Methanol	**4,761**	4,119	**–**	–	**4,761**	4,119
Specialties	**3,147**	3,561	**–**	–	**3,147**	3,561
Others	**27**	34	**22**	28	**49**	62
Total	**14,093**	15,227	**22**	28	**14,115**	15,255

9.2 Segment (loss)/profit for the period [1]

	Cumulative quarter ended 30 June	
In RM Mil	**2025**	**2024**
Olefins and Derivatives	**(1,026)**	696
Fertilisers and Methanol	**934**	921
Specialties	**(444)**	130
Others[2]	**(493)**	(235)
Total	**(1,029)**	1,512

During the period, the Group's investment holding company has provided for depreciation & amortisation of the tangible & intangible assets impact amounting to RM120 million (2024: RM125 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 RM194 million as compared to unrealised foreign exchange gain of RM93 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 30 June 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.

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[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 RM427 million (2024: RM267 million), RM476 million (2024: RM494 million), RM183 million (2024: RM162 million) and RM133 million (2024: RM138 million) respectively.
[2] Includes profit/(loss) from non-reportable segments and unallocated assets.

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:

In RM Mil	As at 30 June 2025	As at 31 December 2024
Property, plant and equipment:		
Approved and contracted for	1,101	1,058
Approved but not contracted for	1,711	2,594
	2,812	3,652
Lease contracts yet to commence:		
Plant and equipment	1	4
Total	2,813	3,656

A14. GOODWILL

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

In RM Mil	As at 1 January 2025	Foreign currency translation	As at 30 June 2025
Goodwill	3,106	311	3,417

A15. LONG TERM RECEIVABLES

In RM Mil	As at 30 June 2025	As at 31 December 2024
Trade receivable	15	16
Other receivables and prepayments	948	935
	963	951

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.

A16. TRADE AND OTHER PAYABLES

In RM Mil	**As at 30 June 2025**	**As at 31 December 2024**
Non-current liabilities		
Trade payables	**912**	745
Current liabilities		
Trade and other payables	**9,087**	10,054

The Group and the Company via its joint operation entity has arrangements on trade payables amounting to RM1,566 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. During the period, the joint operation entity has remeasured these balances based on the revised timing for payments, which resulted in remeasurement loss amounting to RM128 million (2024: remeasurement gain of RM553 million) being recognised in the profit or loss.

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.

A17. FAIR VALUE INFORMATION (continued)

As at 30 June 2025

Fair value of financial instruments carried at fair value

In RM Mil	Level 1	Level 2	Level 3	Total	Nominal value
Financial assets					
Forward foreign exchange contracts					
- within 1 year	–	7	–	7	400
Financial liabilities					
Forward foreign exchange contracts					
- within 1 year	–	(4)	–	(4)	596

As at 31 December 2024

Fair value of financial instruments carried at fair value

In RM Mil	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

PART B – OTHER EXPLANATORY NOTES

B1. REVIEW OF GROUP PERFORMANCE

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

							Individual quarter ended 30 June	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
In RM Mil	**Group**		**Olefins and Derivatives**		**Fertilisers and Methanol**		**Specialties**	
Revenue	**6,437**	7,728	**2,645**	3,768	**2,263**	2,126	**1,514**	1,819
(Loss)/Profit after tax	**(1,047)**	809	**(671)**	458	**307**	459	**(302)**	59
EBITDA[3]	**395**	1,110	**(251)**	330	**556**	720	**153**	120

PCG Group recorded lower plant utilisation rate of 77% as compared to 89% in the corresponding quarter due to feedstock supply disruption at PC Fertiliser Kedah as well as higher plant repair and maintenance activities during the quarter resulting in lower production volume.

Revenue was lower by RM1.3 billion or 17% at RM6.4 billion mainly due to lower sales volume, strengthening of Ringgit Malaysia against US Dollar and lower product prices.

EBITDA was lower by RM715 million or 64% at RM395 million mainly contributed by lower product spreads and lower contribution from a joint operation entity due to higher unrealised foreign exchange loss on revaluation of payables, partially offset by lower plant operation costs.

The Group recorded loss after tax of RM1.0 billion as compared to a profit after tax of RM809 million in the corresponding quarter. This was mainly due to lower EBITDA, remeasurement loss arising from adjustment of timing for payment of trade payables, impairment of assets at Perstorp, higher unrealised foreign exchange loss on revaluation of shareholders loan to a joint operation entity as well as higher depreciation and finance costs from a joint operation entity.

Olefins and Derivatives

The segment's operational performance recorded lower plant utilisation rate of 86% as compared to 94% in the corresponding quarter mainly due to higher plant repair and maintenance activities during the quarter resulting in lower production and sales volumes.

Revenue was lower by RM1.1 billion or 30% at RM2.6 billion, primarily attributed to lower product prices, lower sales volume and strengthening of Ringgit Malaysia against US Dollar.

EBITDA was lower by RM581 million mainly due to lower product spreads and lower contribution from a joint operation entity due to higher unrealised foreign exchange loss on revaluation of payables, partially offset by lower plant operation costs.

The segment recorded loss after tax of RM671 million as compared to profit after tax of RM458 million in the corresponding quarter. This was mainly contributed by lower EBITDA, remeasurement loss arising from adjustment of timing for payment of trade payables as well as higher depreciation and finance costs from a joint operation entity.

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

B1. REVIEW OF GROUP PERFORMANCE (continued)

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

Fertilisers and Methanol

The segment recorded lower plant utilisation rate of 73% as compared to 86% in the corresponding quarter mainly due to feedstock supply disruption at PC Fertiliser Kedah as well as higher plant repair and maintenance activities during the quarter resulting in lower production volume.

The segment recorded higher revenue by RM137 million or 6% at RM2.3 billion, primarily driven by higher product prices, partially offset by strengthening of Ringgit Malaysia against US Dollar.

EBITDA, however, was lower by RM164 million or 23% at RM556 million mainly due to lower product spreads. Profit after tax was lower by RM152 million or 33% at RM307 million in line with lower EBITDA.

Specialties

The segment's revenue was lower by RM305 million or 17% at RM1.5 billion primarily driven by lower sales volume.

EBITDA was higher by RM33 million or 28% at RM153 million mainly due to other income arising from sale of emission rights. The segment recorded loss after tax of RM302 million as compared to profit after tax of RM59 million in corresponding quarter mainly contributed by impairment of assets at Perstorp.

(b) Performance of the current period against the corresponding period

								Cumulative quarter ended 30 June
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
In RM Mil		**Group**		**Olefins and Derivatives**		**Fertilisers and Methanol**		**Specialties**
Revenue	**14,093**	15,227	**6,158**	7,513	**4,761**	4,119	**3,147**	3,561
(Loss)/Profit after tax	**(1,029)**	1,512	**(1,026)**	696	**934**	921	**(444)**	130
EBITDA[4]	**1,287**	2,270	**(294)**	728	**1,448**	1,440	**205**	238

PCG Group recorded lower plant utilisation rate of 86% as compared to 88% in the corresponding period mainly due to utilities supply disruption in Kertih, feedstock supply disruption at PC Fertiliser Kedah as well as higher plant repair and maintenance activities during the current period, resulting in lower production volume.

Revenue was lower by RM1.1 billion or 7% at RM14.1 billion largely due to strengthening of Ringgit Malaysia against US Dollar and lower product prices.

EBITDA was lower by RM983 million or 43% at RM1.3 billion mainly due to lower product spreads and lower contribution from a joint operation entity due to unrealised foreign exchange loss on revaluation of payables.

The Group recorded loss after tax of RM1.0 billion as compared to profit after tax of RM1.5 billion in the corresponding period. This was mainly attributed by lower EBITDA, remeasurement loss arising from adjustment of timing for payment of trade payables, impairment of assets at Perstorp, unrealised foreign exchange loss on revaluation of shareholders loan to a joint operation entity, higher depreciation and finance costs from a joint operation entity as well as 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 associates and joint ventures and other significant non-cash items.

PART B – OTHER EXPLANATORY NOTES (continued)

B1. REVIEW OF GROUP PERFORMANCE (continued)

(b) Performance of the current period against the corresponding period (continued)

Olefins and Derivatives

The segment recorded lower plant utilisation rate of 86% as compared to 91% in the corresponding period mainly due to utilities supply disruption in Kertih as well as higher plant repair and maintenance activities during the period, resulting in lower production and sales volumes.

Revenue was lower by RM1.4 billion or 18% at RM6.2 billion primarily driven by lower product prices, strengthening of Ringgit Malaysia against US Dollar and lower sales volume.

EBITDA was lower by RM1 billion mainly contributed by lower product spreads and lower contribution from a joint operation entity due to unrealised foreign exchange loss on revaluation of payables.

The segment recorded loss after tax of RM1 billion as compared to profit after tax of RM696 million in the corresponding period. This was mainly due to lower EBITDA, remeasurement loss arising from adjustment of timing for payment of trade payables and higher depreciation and finance costs from a joint operation entity.

Fertilisers and Methanol

The segment's operational performance recorded comparable plant utilisation rate of 85% due to feedstock supply disruption at PC Fertiliser Kedah in current period in comparison to statutory plant turnaround and maintenance activities undertaken in the corresponding period.

The segment recorded higher revenue by RM642 million or 16% at RM4.8 billion mainly due to higher product prices and sales volume, partially offset by strengthening of Ringgit Malaysia against US Dollar.

EBITDA and profit after tax were comparable at RM1.4 billion and RM934 million respectively.

Specialties

The segment's revenue was lower by RM414 million or 12% at RM3.1 billion mainly due to lower sales volume.

EBITDA was lower by RM33 million or 14% at RM205 million driven by lower contribution margins. The segment recorded loss after tax of RM444 million as compared to profit after tax in the corresponding period of RM130 million in line with lower EBITDA, impairment of assets at Perstorp and unfavourable net foreign exchange impact.

B1. REVIEW OF GROUP PERFORMANCE (continued)

(c) Variation of results against the preceding quarter

In RM Mil	Individual quarter ended 30 June 2025	31 March 2025
Revenue	6,437	7,656
(Loss)/Profit after tax	(1,047)	18
EBITDA[5]	395	892

PCG Group recorded lower plant utilisation rate of 77% as compared to 94% in preceding quarter resulting from feedstock supply disruption at PC Fertiliser Kedah as well as higher plant repair and maintenance activities resulting in lower production and sales volumes.

Revenue was lower by RM1.2 billion or 16% at RM6.4 billion mainly due to lower sales volume, lower revenue contribution from a joint operation entity, lower product prices and strengthening of Ringgit Malaysia against US Dollar.

EBITDA was lower by RM497 million or 56% at RM395 million mainly due to lower product spreads and lower contribution from a joint operation entity due to higher unrealised foreign exchange loss on revaluation of payables.

Loss after tax was at RM1.0 billion as compared to profit after tax of RM18 million in the preceding quarter mainly due to lower EBITDA, impairment of assets at Perstorp, higher unrealised foreign exchange loss on revaluation of shareholders loan to a joint operation entity and remeasurement loss arising from adjustment of timing for payment of trade payables.

(d) Highlight on consolidated statement of financial position

In RM Mil	As at 30 June 2025	As at 31 December 2024
Total assets	58,846	60,020
Total equity	39,319	39,979
ROE (%)	(3.5)	2.9

The Group's total assets were lower by RM1.2 billion or 2% at RM58.8 billion mainly due to lower property, plant and equipment following impairment of assets and strengthening of Ringgit Malaysia against US Dollar, partially offset by higher intangible assets following weakening of Ringgit Malaysia against Euro and Swedish Krona.

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

PART B – OTHER EXPLANATORY NOTES (continued)

B1. REVIEW OF GROUP PERFORMANCE (continued)

(e) Highlight on consolidated statement of cash flows

	Cumulative quarter ended 30 June	
In RM Mil	**2025**	**2024**
Net cash generated from operating activities	**1,300**	1,648
Net cash used in investing activities	**(1,059)**	(1,215)
Net cash used in financing activities	**(160)**	(310)

Net cash generated from operating activities was lower by RM348 million or 21% at RM1.3 billion in line with movement in working capital.

Net cash used in investing activities for the period was lower by RM156 million or 13% at RM1.1 billion as compared to corresponding period primarily due to lower purchase of property, plant and equipment.

Net cash used in financing activities for the period was lower by RM150 million or 48% at RM160 million as compared to corresponding period mainly due to 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 soft amidst balanced supply and slightly improving sentiment on favourable tariff outlook. Fertiliser and methanol product prices are forecasted to be firm supported by urea demand for planting season and sufficient methanol supply amidst completion of maintenance activities in Southeast Asia. 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.

PART B – OTHER EXPLANATORY NOTES (continued)

B4. OPERATING (LOSS)/PROFIT

In RM Mil	Individual quarter ended 30 June 2025	Individual quarter ended 30 June 2024	Cumulative quarter ended 30 June 2025	Cumulative quarter ended 30 June 2024
Included in (loss)/profit for the period are the following charges:				
Depreciation and amortisation	**608**	529	**1,219**	1,061
Finance expense	**128**	–	**128**	–
Impairment losses on property, plant and equipment	**431**	–	**431**	–
Inventories:				
- write-down to net realisable value	**99**	–	**4**	14
- written off	**22**	–	**22**	–
Net loss on foreign exchange	**446**	62	**638**	–
Write off of investment in a joint venture	**–**	–	**–**	24
and credits:				
Interest income	**87**	94	**174**	184
Finance income	**–**	353	**–**	353
Reversal of write-down of inventory to net realisable value	**–**	41	**–**	–
Amortisation of deferred income	**22**	22	**44**	44
Net gain on foreign exchange	**–**	–	**–**	206

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

During the quarter, the Group recognised impairment losses on property, plant and equipment within its Specialties segment amounting to RM431 million following lower recoverable amount as compared with its carrying amount resulting from higher operating costs.

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.

PART B – OTHER EXPLANATORY NOTES (continued)

B5. TAX EXPENSE

In RM Mil	Individual quarter ended 30 June 2025	Individual quarter ended 30 June 2024	Cumulative quarter ended 30 June 2025	Cumulative quarter ended 30 June 2024
Current tax expenses				
Current period tax	**55**	92	**122**	137
	55	92	**122**	137
Deferred tax expenses				
Origination and reversal of temporary differences	**(56)**	39	**(54)**	96
	(56)	39	**(54)**	96
	(1)	131	**68**	233

The Group's effective tax rates for the individual and cumulative quarter ended 30 June 2025 are 0.1% and -7% 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 lower effective tax rate for the individual quarter ended 30 June 2025 against the Malaysian income tax rate of 24% due to loss before tax for the quarter partially offset by higher non-deductible expenses in relation to impairment of assets and unrealised foreign exchange losses. Cumulative quarter's effective tax rate was lower than Malaysian income tax rate of 24% due to lower tax rate benefitted from GIFT incentive.

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

In RM Mil	**As at 30 June 2025**	**As at 31 December 2024**
Trade receivables:		
– Third party	**2,548**	3,011
– Associates and joint ventures	**68**	127
– Related companies	**159**	149
Other receivables	**1,218**	1,418
Total	**3,993**	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

In RM Mil	**As at 30 June 2025**	**As at 31 December 2024**
Current	**2,649**	3,168
Past due 1 to 30 days	**126**	122
Past due 31 to 60 days	**10**	7
Past due more than 60 days	**5**	6
Total	**2,790**	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.

B8. BORROWINGS

	Denominated currency	*In denominated currency* As at 30 June 2025 Mil	As at 31 December 2024 Mil	*In presentation currency* As at 30 June 2025 RM Mil	As at 31 December 2024 RM Mil
Non-current					
Term loans - secured	USD	**298**	313	**1,262**	1,396
Term loan - unsecured	USD	**167**	165	**707**	736
Term loans - unsecured	EUR	**31**	1	**151**	4
Revolving credit - unsecured	SEK	**—**	700	**—**	283
				2,120	2,419
Current					
Term loans - secured	USD	**31**	30	**130**	134
Term loans - unsecured	CNY	**10**	20	**6**	13
Term loans - unsecured	EUR	**1**	31	**4**	143
Revolving credit - unsecured	SEK	**2,325**	800	**1,036**	323
Revolving credit - unsecured	USD	**38**	38	**160**	168
Revolving credit - unsecured	EUR	**2**	2	**8**	9
Bank overdraft - unsecured	SEK	**—**	14	**—**	5
				1,344	795

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.

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.

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 margin above EURIBOR of 0.85% per annum and interest margin above EURIBOR of 1.15% per annum respectively. These loans are repayable on various dates between 2027 and 2030 respectively.

The CNY unsecured term loan bears interest rate of 2.60% per annum.

The SEK unsecured revolving credits bear interests ranging from 3.08% to 3.34% per annum.

The USD unsecured revolving credits bear interests ranging from 4.93% to 5.35% per annum.

The EUR unsecured revolving credit bears interest rate of 2.99% per annum.

PART B – OTHER EXPLANATORY NOTES (continued)

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. DIVIDENDS

The Directors of the Company have declared first interim single tier dividend of 3 sen per ordinary share, amounting to RM240 million in respect of the financial year ending 31 December 2025 (2024: first interim single tier dividend of 10 sen per ordinary share, amounting to RM800 million in respect of the financial year ended 31 December 2024).

The dividend is payable on 10 September 2025 to depositors registered in the Records of Depositors at the close of business on 27 August 2025.

A Depositor shall qualify for entitlement to the dividends only in respect of:

a. Shares transferred into the Depositor's Securities Account before 4.00 pm on 27 August 2025 in respect of ordinary transfers.

b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

B13. BASIC (LOSS)/EARNINGS PER SHARE

Basic (loss)/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 30 June		**Cumulative quarter ended 30 June**	
In RM Mil	**2025**	**2024**	**2025**	**2024**
(Loss)/Profit for the period attributable to shareholders of the Company	**(1,081)**	777	**(1,099)**	1,445
In millions of shares				
Number of ordinary shares issued	**8,000**	8,000	**8,000**	8,000
In sen				
Basic (loss)/earnings per share	**(14)**	10	**(14)**	18

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.

PART B – OTHER EXPLANATORY NOTES (continued)

B14. EXCHANGE RATES

	Individual quarter ended			Cumulative quarter ended		
	30 June 2025	31 December 2024	30 June 2024	30 June 2025	31 December 2024	30 June 2024
USD/MYR						
Average rate	**4.3089**	4.3950	4.7323	**4.3795**	4.5768	4.7278
Closing rate	**4.2290**	4.4600	4.7205	**4.2290**	4.4600	4.7205
EUR/MYR						
Average rate	**4.8857**	4.6895	5.0949	**4.7828**	4.9520	5.1122
Closing rate	**4.9555**	4.6402	5.0500	**4.9555**	4.6402	5.0500
SEK/MYR						
Average rate	**0.4457**	0.4080	0.4430	**0.4313**	0.4333	0.4490
Closing rate	**0.4458**	0.4043	0.4435	**0.4458**	0.4043	0.4435

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
13 August 2025