



PETRONAS

PETRONAS CHEMICALS GROUP BERHAD
Quarterly Report

For Fourth Quarter and Year Ended 31 December 2025



QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

The Board of Directors of PETRONAS Chemicals Group Berhad ("PCG" or the "Company") hereby announce the following condensed consolidated financial statements for the quarter ended 31 December 2025 which should be read in conjunction with the accompanying explanatory notes on pages 8 to 24.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>In RM Mil</i>	Note	Individual quarter ended 31 December		Year ended ¹ 31 December	
		2025	2024	2025	2024
Revenue	A9.1	6,600	7,458	27,480	30,671
Cost of revenue		(6,086)	(6,877)	(24,552)	(25,965)
Gross profit		514	581	2,928	4,706
Selling and distribution expenses		(540)	(572)	(2,077)	(2,144)
Administration expenses		(328)	(420)	(1,330)	(1,526)
Other expenses		(346)	—	(1,649)	(199)
Other income		204	1,151	756	1,220
Operating (loss)/profit	B4	(496)	740	(1,372)	2,057
Financing costs		(89)	(95)	(346)	(260)
Share of loss after tax of equity-accounted associates and joint ventures		(50)	(43)	(174)	(107)
(Loss)/Profit before taxation		(635)	602	(1,892)	1,690
Tax expense	B5	(95)	(63)	(158)	(401)
(LOSS)/PROFIT FOR THE PERIOD/YEAR		(730)	539	(2,050)	1,289
(Loss)/Profit attributable to:					
Shareholders of the Company		(754)	519	(2,142)	1,175
Non-controlling interests		24	20	92	114
(LOSS)/PROFIT FOR THE PERIOD/YEAR		(730)	539	(2,050)	1,289
Basic (loss)/earnings per share attributable to shareholders of the Company:					
Based on ordinary shares issued (sen)	B13	(9)	6	(27)	15

¹Extracted from Audited Financial Statements for the financial year ended 31 December 2025 & 31 December 2024.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>In RM Mil</i>	Individual quarter ended 31 December		Year ended ¹ 31 December	
	2025	2024	2025	2024
(LOSS)/PROFIT FOR THE PERIOD/YEAR	(730)	539	(2,050)	1,289
Other comprehensive (loss)/income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of defined benefit liability	9	8	11	5
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	(484)	581	182	(1,900)
Share of other comprehensive (loss)/income of equity-accounted associates and joint ventures	(40)	110	(113)	(40)
	(524)	691	69	(1,940)
Total other comprehensive (loss)/income for the period/year	(515)	699	80	(1,935)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD/YEAR	(1,245)	1,238	(1,970)	(646)
Total comprehensive (loss)/income attributable to:				
Shareholders of the Company	(1,269)	1,218	(2,062)	(760)
Non-controlling interests	24	20	92	114
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD/YEAR	(1,245)	1,238	(1,970)	(646)

¹Extracted from Audited Financial Statements for the financial year ended 31 December 2025 & 31 December 2024.

The 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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM Mil</i>	Note	As at 31 December 2025	As at 31 December 2024
ASSETS			
Property, plant and equipment		28,106	29,338
Investments in associates and joint ventures		1,114	1,339
Intangible assets		9,492	8,898
Long-term receivables	A15	902	951
Retirement benefits		20	23
Deferred tax assets		704	632
TOTAL NON-CURRENT ASSETS		40,338	41,181
Trade and other inventories		3,993	4,086
Trade and other receivables	B7	3,655	4,356
Tax recoverable		83	37
Cash and cash equivalents		9,621	9,931
TOTAL CURRENT ASSETS		17,352	18,410
TOTAL ASSETS		57,690	59,591
EQUITY			
Share capital		8,871	8,871
Reserves		27,144	29,686
Total equity attributable to shareholders of the Company		36,015	38,557
Non-controlling interests		1,365	1,422
TOTAL EQUITY		37,380	39,979
LIABILITIES			
Borrowings	B8	2,004	2,419
Lease liabilities		1,692	1,874
Provisions		350	303
Trade payables	A16	815	745
Retirement benefits		172	175
Deferred tax liabilities		2,253	2,198
Other long-term liabilities		970	1,056
TOTAL NON-CURRENT LIABILITIES		8,256	8,770
Trade and other payables	A16	10,222	9,705
Borrowings	B8	1,460	795
Lease liabilities		293	224
Taxation		79	118
TOTAL CURRENT LIABILITIES		12,054	10,842
TOTAL LIABILITIES		20,310	19,612
TOTAL EQUITY AND LIABILITIES		57,690	59,591
Net assets per share attributable to shareholders of the Company (RM)		4.50	4.82

The condensed consolidated statement of financial position was extracted from the Audited Financial Statements as at 31 December 2025 & 31 December 2024 and should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Attributable to shareholders of the Company</i>			
	<i>Non-distributable</i>			
<i>In RM Mil</i>	Share Capital	Foreign Currency Translation Reserve	Merger Reserve	Other Reserves
Year ended 31 December 2025				
At 1 January 2025	8,871	1,295	(204)	1,525
Foreign currency translation differences	—	182	—	—
Share of other comprehensive loss of equity-accounted associates and joint ventures	—	—	—	(113)
Remeasurement of defined benefit liability	—	—	—	11
Total other comprehensive income/(loss) for the year	—	182	—	(102)
(Loss)/Profit for the year	—	—	—	—
Total comprehensive income/(loss) for the year	—	182	—	(102)
Transfer from retained profits upon redemption of redeemable preference shares of a subsidiary	—	—	—	439
Dividends to shareholders of the Company (note A8)	—	—	—	—
Dividends to non-controlling interests	—	—	—	—
Others	—	—	—	3
Total transactions with owners of the Group	—	—	—	442
Balance at 31 December 2025	8,871	1,477	(204)	1,865

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Year ended 31 December 2024				
At 1 January 2024	8,871	3,195	(204)	1,517
Foreign currency translation differences	—	(1,900)	—	—
Share of other comprehensive loss of equity-accounted associates and joint ventures	—	—	—	(40)
Remeasurement of defined benefit liability	—	—	—	5
Total other comprehensive loss for the year	—	(1,900)	—	(35)
Profit for the year	—	—	—	—
Total comprehensive (loss)/income for the year	—	(1,900)	—	(35)
Transfer from retained profits upon redemption of redeemable preference shares of a subsidiary	—	—	—	40
Dividends to shareholders of the Company	—	—	—	—
Dividends to non-controlling interests	—	—	—	—
Acquisition of a non-controlling interest	—	—	—	—
Others	—	—	—	3
Total transactions with owners of the Group	—	—	—	43
Balance at 31 December 2024	8,871	1,295	(204)	1,525

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The condensed consolidated statement of changes in equity was extracted from the Audited Financial Statements for the year ended 31 December 2025 & 31 December 2024 and should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM Mil</i>	2025	Year ended 31 December 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,892)	1,690
<i>Adjustments for:</i>		
- Amortisation of deferred income	(87)	(87)
- Amortisation of intangible assets	177	179
- Depreciation of property, plant and equipment	2,318	2,109
- Financing costs	346	260
- Finance income	(65)	(595)
- Interest income	(391)	(414)
- Impairment losses on property, plant and equipment	439	—
- Share of loss after tax of equity-accounted associates and joint ventures	174	107
- Unrealised loss on foreign exchange	1,010	159
- Other non-cash items	216	114
Operating profit before changes in working capital	2,245	3,522
Change in trade and other inventories	(32)	(370)
Change in trade and other receivables	1,140	(806)
Change in trade and other payables	(230)	2,169
Cash generated from operations	3,123	4,515
Interest income received	391	414
Taxation paid	(367)	(303)
Net cash generated from operating activities	3,147	4,626
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a non-controlling interest	—	(68)
Dividends received from joint ventures	42	72
Investment in an associate	(104)	—
Payment for acquisition of a subsidiary, net of cash acquired	—	(19)
Payment of earn out for a subsidiary	(95)	(96)
Payment to a non-controlling interest on redemption of shares	(149)	(60)
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	(2,082)	(2,452)
Redemption of preference shares in an associate and a joint venture	—	124
Net cash used in investing activities	(2,387)	(2,495)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to:		
- PETRONAS	(309)	(772)
- others (third parties)	(171)	(428)
- non-controlling interests	(3)	(34)
Drawdown of:		
- term loan	154	13
- revolving credit	7,562	4,452
Payment of lease liabilities:		
- principal	(179)	(166)
- interest	(77)	(79)
Repayment of revolving credit	(7,042)	(3,945)
Repayment of term loans:		
- principal	(290)	(157)
- interest	(141)	(150)
Net cash used in financing activities	(496)	(1,266)

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QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In RM Mil</i>	2025	Year ended 31 December 2024
Net cash flows from operating, investing and financing activities	264	865
Effect of foreign currency translation differences	(73)	(28)
Net increase in cash and cash equivalents	191	837
Net foreign exchange differences on cash held	(496)	(179)
Cash and cash equivalents at beginning of the year	9,926	9,268
Cash and cash equivalents at end of the year	9,621	9,926
Cash and cash equivalents		
Cash and bank balances	9,621	9,931
Bank overdrafts	—	(5)
	9,621	9,926

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The condensed consolidated statement of cash flows was extracted from the Audited Financial Statements for the year ended 31 December 2025 & 31 December 2024 and should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The condensed consolidated financial statements 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 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 year ended 31 December 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 year, 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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 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 year 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 year under review.

A7. DEBT AND EQUITY SECURITIES

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

A8. DIVIDENDS PAID

During the year under review, the Company paid:

- i) 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; and
- ii) A 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 to shareholders on 10 September 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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

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

A9. OPERATING SEGMENTS (continued)

9.1 Revenue

<i>In RM Mil</i>	2025		2024		Year ended 31 December	
	Third-parties	Inter-segment	2025	2024	Gross total	2024
Olefins and Derivatives	12,176	—	12,176	—	15,401	15,401
Fertilisers and Methanol	9,552	—	9,552	—	8,667	8,667
Specialties	5,693	—	5,693	—	6,542	6,542
Others	59	41	100	50	111	111
Total	27,480	41	27,521	50	30,721	30,721

9.2 Segment (loss)/profit for the year ²

<i>In RM Mil</i>	Year ended 31 December	
	2025	2024
Olefins and Derivatives	(2,337)	117
Fertilisers and Methanol	1,743	1,763
Specialties	(707)	46
Others ³	(749)	(637)
Total	(2,050)	1,289

During the year, the Group's investment holding company has provided for depreciation & amortisation of the tangible & intangible assets impact amounting to RM235 million (2024: RM241 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 RM347 million (2024: RM110 million), 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 year under review. As at 31 December 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 year under review.

² Included within (loss)/profit for the year for Olefins and Derivatives, Fertilisers and Methanol, Specialties and Others segments are depreciation and amortisation expenses amounting to RM893 million (2024: RM712 million), RM985 million (2024: RM988 million), RM355 million (2024: RM320 million) and RM262 million (2024: RM268 million) respectively.

³ Includes profit/(loss) from non-reportable segments and unallocated assets.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

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

A13. COMMITMENTS

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

<i>In RM Mil</i>	As at 31 December 2025	As at 31 December 2024
Property, plant and equipment:		
Approved and contracted for	912	1,058
Approved but not contracted for	1,905	2,594
	<u>2,817</u>	<u>3,652</u>
Right-of-use assets committed but not commenced:		
Plant and equipment	—	4
Total	<u>2,817</u>	<u>3,656</u>

A14. GOODWILL

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

<i>In RM Mil</i>	As at 1 January 2025	Foreign currency translation	As at 31 December 2025
Goodwill	3,106	264	<u>3,370</u>

A15. LONG-TERM RECEIVABLES

<i>In RM Mil</i>	As at 31 December 2025	As at 31 December 2024
Trade receivable	14	16
Other receivables and prepayments	888	935
	<u>902</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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

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

A16. TRADE AND OTHER PAYABLES

<i>In RM Mil</i>	As at 31 December 2025	As at 31 December 2024
Non-current liabilities		
Trade payables	815	745
Current liabilities		
Trade and other payables	10,222	9,705

The Group and the Company via its joint operation entity has arrangements on trade payables amounting to RM1,501 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 year, the joint operation entity has remeasured these balances based on the extended timing for payments, which resulted in a remeasurement gain amounting to RM25 million (2024: RM553 million) being recognised in the profit or loss.

A17. FAIR VALUE INFORMATION

The carrying amounts of cash and cash equivalents, short-term 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.

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

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

A17. FAIR VALUE INFORMATION (continued)

As at 31 December 2025

Fair value of financial instruments carried at fair value

<i>In RM Mil</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Nominal value</u>
Financial assets					
Forward foreign exchange contracts - within 1 year	—	5	—	5	506
Financial liabilities					
Forward foreign exchange contracts - within 1 year	—	(7)	—	(7)	506

As at 31 December 2024

Fair value of financial instruments carried at fair value

<i>In RM Mil</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Nominal value</u>
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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

PART B – OTHER EXPLANATORY NOTES

B1. REVIEW OF GROUP PERFORMANCE

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

	2025		2024		2025		2024		Individual quarter ended 31 December	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<i>In RM Mil</i>	Group		Olefins and Derivatives		Fertilisers and Methanol				Specialties	
Revenue	6,600	7,458	2,813	3,659	2,573	2,417	1,201	1,371		
(Loss)/Profit after tax	(730)	539	(840)	(86)	454	492	(176)	(23)		
EBITDA ⁴	115	710	(600)	100	730	733	(31)	15		

PCG Group recorded comparable plant utilisation rate of 96% against corresponding period.

Revenue declined by RM858 million or 12% at RM6.6 billion mainly due to lower revenue contribution from joint operation entity, strengthening of Ringgit Malaysia against US Dollar and lower revenue contribution from Specialties segment, partially offset by higher sales volume from Fertilisers and Methanol segment.

EBITDA reduced by RM595 million or 84% at RM115 million mainly contributed by unrealised foreign exchange loss on revaluation of payables at a joint operation entity.

The Group recorded loss after tax of RM730 million as compared to profit after tax in the corresponding quarter of RM539 million due to lower EBITDA and higher unrealised foreign exchange loss on revaluation of shareholders loan to a joint operation entity.

Olefins and Derivatives

The segment recorded higher plant utilisation rate of 92% as compared to 89% in the corresponding quarter mainly due to better plant performance during the quarter resulting in higher production volume.

Revenue declined by RM846 million or 23% at RM2.8 billion, primarily attributed to lower revenue contribution from joint operation entity and lower product prices.

EBITDA reduced by RM700 million mainly due to unrealised foreign exchange loss on revaluation of payables at a joint operation entity.

Loss after tax was higher by RM754 million at RM840 million, mainly contributed by negative EBITDA.

Fertilisers and Methanol

The segment recorded comparable plant utilisation rate of 98% against corresponding quarter.

Revenue was higher by RM156 million or 6% at RM2.6 billion, primarily driven by higher sales volume and product prices, partially offset by strengthening of Ringgit Malaysia against US Dollar.

EBITDA and profit after tax were comparable at RM730 million and RM454 million respectively.

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.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B1. REVIEW OF GROUP PERFORMANCE (continued)

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

Specialties

The segment's revenue was lower by RM170 million or 12% at RM1.2 billion in line with lower sales volume.

Negative EBITDA was reported at RM31 million following weaker margins due to continued intense market competition and customers inventory rundown.

The segment recorded higher loss after tax by RM153 million at RM176 million contributed by lower EBITDA and unfavourable net foreign exchange impact.

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

	2025		2024		2025		2024		Year ended 31 December	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<i>In RM Mil</i>		Group		Olefins and Derivatives		Fertilisers and Methanol				Specialties
Revenue	27,480	30,671	12,176	15,401	9,552	8,667	5,693	6,542		
(Loss)/Profit after tax	(2,050)	1,289	(2,337)	117	1,743	1,763	(707)	46		
EBITDA ⁵	1,899	3,534	(1,004)	691	2,755	2,778	223	332		

PCG Group recorded lower plant utilisation rate of 88% as compared to 91% in the corresponding year mainly due to utilities supply disruption in Kertih, feedstock supply disruption at PC Fertiliser Kedah as well as higher statutory turnaround and plant maintenance activities during the year, resulting in lower production volume.

Revenue declined by RM3.2 billion or 10% at RM27.5 billion due to strengthening of Ringgit Malaysia against US Dollar, lower revenue contribution from joint operation entity and Specialties segment as well as lower product prices.

EBITDA reduced by RM1.6 billion or 46% at RM1.9 billion mainly due to weaker product spreads and higher unrealised foreign exchange loss on revaluation of payables at a joint operation entity.

The Group recorded loss after tax of RM2.1 billion as compared to profit after tax of RM1.3 billion in the corresponding year. This was mainly attributed by lower EBITDA, lower finance income arising from adjustment of timing for payment of trade payables at a joint operation entity, impairment of assets at Perstorp, higher unrealised foreign exchange loss on revaluation of shareholders loan to a joint operation entity, unfavourable net foreign exchange impact from Specialties segment and higher depreciation and finance costs from a joint operation entity.

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.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B1. REVIEW OF GROUP PERFORMANCE (continued)

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

Olefins and Derivatives

The segment recorded lower plant utilisation rate of 87% as compared to 91% in the corresponding year mainly due to utilities supply disruption in Kertih as well as higher plant repair and maintenance activities during the year, resulting in lower production and sales volumes.

Revenue declined by RM3.2 billion or 21% at RM12.2 billion primarily driven by lower product prices, lower revenue contribution from joint operation entity, strengthening of Ringgit Malaysia against US Dollar and lower sales volume.

EBITDA reduced by RM1.7 billion mainly contributed by weaker product spreads and higher unrealised foreign exchange loss on revaluation of payables at a joint operation entity.

The segment recorded loss after tax of RM2.3 billion as compared to profit after tax of RM117 million in the corresponding year. This was mainly due to lower EBITDA, lower finance income 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 lower plant utilisation rate of 89% as compared to 90% in corresponding year mainly due to feedstock supply disruption at PC Fertiliser Kedah as well as higher statutory turnaround and plant maintenance activities during the year.

The segment recorded higher revenue by RM885 million or 10% at RM9.6 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 RM2.8 billion and RM1.7 billion respectively.

Specialties

The segment's revenue was lower by RM849 million or 13% at RM5.7 billion due to lower sales volume and product prices.

EBITDA was lower by RM109 million or 33% at RM223 million attributable to weakening margins as well as higher operating expenses.

The segment recorded loss after tax of RM707 million as compared to profit after tax in the corresponding year of RM46 million mainly due to lower EBITDA, impairment of assets at Perstorp and unfavourable net foreign exchange impact.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B1. REVIEW OF GROUP PERFORMANCE (continued)

(c) Variation of results against the preceding quarter

<i>In RM Mil</i>	Individual quarter ended	
	31 December 2025	30 September 2025
Revenue	6,600	6,787
Loss after tax	(730)	(291)
EBITDA ⁶	115	497

PCG Group recorded higher plant utilisation rate of 96% as compared to 90% in preceding quarter resulting in higher production and sales volumes.

Revenue declined by RM187 million or 3% at RM6.6 billion mainly due to lower revenue contribution from a joint operation entity and lower product prices, partially offset by higher sales volume.

EBITDA was lower by RM382 million or 77% at RM115 million mainly due to higher unrealised foreign exchange loss on revaluation of payables at a joint operation entity and lower contribution from Specialties segment.

Loss after tax was higher by RM439 million at RM730 million in line with lower EBITDA, higher unrealised foreign exchange loss on revaluation of shareholders loan to a joint operation entity, partially offset by finance income arising from adjustment of timing for payment of trade payables at a joint operation entity.

(d) Highlight on consolidated statement of financial position

<i>In RM Mil</i>	As at 31 December 2025	As at 31 December 2024
	Total assets	57,690
Total equity	37,380	39,979
ROE (%)	(5.7)	2.9

The Group's total assets were lower by RM1.9 billion or 3% at RM57.7 billion mainly due to lower property, plant and equipment following the strengthening of Ringgit Malaysia against US Dollar and impairment of assets at Perstorp.

⁶ 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.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B1. REVIEW OF GROUP PERFORMANCE (continued)

(e) Highlight on consolidated statement of cash flows

<i>In RM Mil</i>	2025	Year ended 31 December 2024
Net cash generated from operating activities	3,147	4,626
Net cash used in investing activities	(2,387)	(2,495)
Net cash used in financing activities	(496)	(1,266)

Net cash generated from operating activities reduced by RM1.5 billion or 32% at RM3.1 billion in line with loss incurred for the year.

Net cash used in investing activities for the year declined by RM108 million or 4% at RM2.4 billion as compared to corresponding year primarily due to lower purchase of property, plant and equipment.

Net cash used in financing activities for the year was lower by RM770 million or 61% at RM496 million as compared to corresponding year mainly due to lower dividend payment to shareholders.

B2. COMMENTARY ON PROSPECTS

The Group anticipates that oversupply pressure from capacity additions in China, rising geoeconomic headwinds and persistent weak demand, will continue to weigh on the overall olefins and derivatives outlook. Robust agricultural demand in India and Australia continues to support fertiliser consumption, while methanol supply remains constrained by scheduled turnarounds in Southeast Asia. The Group remains cautious in the Specialties segment as end markets such as construction and automotive are facing headwinds due to soft demand, while consumer goods show modest growth.

B3. PROFIT FORECAST OR PROFIT GUARANTEE

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

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B4. OPERATING (LOSS)/PROFIT

<i>In RM Mil</i>	Individual quarter ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Included in (loss)/profit for the period are the following charges:				
Amortisation of intangible assets	45	42	177	179
Depreciation of property, plant and equipment	604	566	2,318	2,109
Impairment losses on property, plant and equipment	6	—	439	—
Inventories:				
- write-down to net realisable value	92	—	16	125
- written off	1	2	23	2
Net loss on foreign exchange	418	—	1,130	160
Write off of investment in a joint venture	—	—	—	24
and credits:				
Interest income	131	135	391	414
Finance income	163	223	65	595
Reversal of write-down of inventory to net realisable value	—	11	—	—
Amortisation of deferred income	21	21	87	87
Net gain on foreign exchange	—	748	—	—

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.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B5. TAX EXPENSE

<i>In RM Mil</i>	Individual quarter ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Current tax expenses				
Current period/year tax	63	75	263	294
Under/(over) provision in respect of prior period/year	—	2	(1)	7
	<u>63</u>	<u>77</u>	<u>262</u>	<u>301</u>
Deferred tax expenses				
Origination and reversal of temporary differences	31	(14)	(89)	102
Under/(over) provision in respect of prior period/year	1	—	(15)	(2)
	<u>32</u>	<u>(14)</u>	<u>(104)</u>	<u>100</u>
	<u>95</u>	<u>63</u>	<u>158</u>	<u>401</u>

The Group's effective tax rates for the individual and cumulative quarter ended 31 December 2025 are -15% and -8% respectively which, are reflective of the losses before tax for the current quarter and cumulative quarter as well as higher non-deductible expenses in relation to unrealised foreign exchange losses.

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.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B7. TRADE AND OTHER RECEIVABLES

(a) Details of Group trade and other receivables

<i>In RM Mil</i>	As at 31 December 2025	As at 31 December 2024
Trade receivables:		
– Third party	2,549	3,011
– Associates and joint ventures	88	127
– Related companies	94	149
Other receivables	924	1,069
Total	3,655	4,356

Average credit term for trade receivables granted to related parties and non-related parties is 44 days.

(b) Ageing analysis of trade receivables

<i>In RM Mil</i>	As at 31 December 2025	As at 31 December 2024
Current	2,624	3,168
Past due 1 to 30 days	114	122
Past due 31 to 60 days	6	7
Past due more than 60 days	1	6
Total	2,745	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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B8. BORROWINGS

	Denominated currency	<i>In denominated currency</i>		<i>In presentation currency</i>	
		As at 31 December 2025 Mil	As at 31 December 2024 Mil	As at 31 December 2025 RM Mil	As at 31 December 2024 RM Mil
Non-current					
Term loans - secured	USD	290	313	1,174	1,396
Term loan - unsecured	USD	169	165	686	736
Term loans - unsecured	EUR	30	1	144	4
Revolving credit - unsecured	SEK	—	700	—	283
				2,004	2,419
Current					
Term loans - secured	USD	25	30	101	134
Term loans - unsecured	CNY	15	20	9	13
Term loans - unsecured	EUR	1	31	4	143
Revolving credit - unsecured	SEK	2,690	800	1,185	323
Revolving credit - unsecured	USD	38	38	153	168
Revolving credit - unsecured	EUR	2	2	8	9
Bank overdraft - unsecured	SEK	—	14	—	5
				1,460	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 Compounded Reference Rate 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") has been extended from 31 December 2023 to 31 December 2025 and subsequently further extended to 31 December 2027.

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 Euro Interbank Offer Rate ("EURIBOR") of 1.15% per annum and interest margin above EURIBOR of 0.85% per annum respectively. These loans are repayable on various dates between 2027 and 2030 respectively.

There are two CNY unsecured term loans which bear interest rates of 2.60% and 3.00% per annum respectively.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

PART B – OTHER EXPLANATORY NOTES (continued)

B8. BORROWINGS (continued)

The SEK unsecured revolving credit bear interests ranging from 2.55% to 2.92% per annum.

The USD unsecured revolving credit bear interests ranging from 4.49% to 5.10% per annum.

The EUR unsecured revolving credit bear interest rate of 2.90% per annum.

The SEK unsecured bank overdraft in prior year bore interest rate of 1.50% above Stockholm Interbank Offered Rate ("STIBOR").

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 year 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 a second interim single tier dividend of 4 sen per ordinary share, amounting to RM320 million in respect of the financial year ended 31 December 2025 (2024: 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).

The dividend is payable on 18 March 2026 to depositors registered in the Records of Depositors at the close of business on 9 March 2026.

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 9 March 2026 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.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2025

PART B – OTHER EXPLANATORY NOTES (continued)

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.

<i>In RM Mil</i>	Individual quarter ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
(Loss)/Profit for the period/year attributable to shareholders of the Company	(754)	519	(2,142)	1,175
<i>In millions of shares</i>				
Number of ordinary shares issued	8,000	8,000	8,000	8,000
<i>In sen</i>				
Basic (loss)/earnings per share	(9)	6	(27)	15

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.

B14. EXCHANGE RATES

	31 December	Individual quarter ended		31 December	Year ended
	2025	30 September 2025	31 December 2024	2025	31 December 2024
USD/MYR					
Average rate	4.1547	4.2240	4.3950	4.2844	4.5768
Closing rate	4.0530	4.2145	4.4600	4.0530	4.4600
EUR/MYR					
Average rate	4.8347	4.9376	4.6895	4.8345	4.9520
Closing rate	4.7615	4.9398	4.6402	4.7615	4.6402
SEK/MYR					
Average rate	0.4415	0.4440	0.4080	0.4370	0.4333
Closing rate	0.4406	0.4471	0.4043	0.4406	0.4043

By order of the Board

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Company Secretaries
Kuala Lumpur
23 February 2026