



PETRONAS

PETRONAS CHEMICALS GROUP BERHAD

28th Annual General Meeting



Questions from Shareholders Attending in Person

No.	Question
1.	In relation to the Sustainability Fund (SF) of RM50 million, how much has been budgeted and utilised for Environmental, Social and Governance (ESG)?
Answer:	
<p>The Sustainability Fund is primarily intended to accelerate decarbonisation initiatives that support PCG's Net Zero Carbon Emissions (NZCE) journey, particularly projects and studies that deliver greenhouse gas (GHG) emissions reduction within the business planning cycle.</p> <p>Accordingly, the Sustainability Fund is not an "ESG budget" designated for Environmental, Social or Governance programmes. ESG-related activities (e.g., governance and CSR/community initiatives) are funded through other operating expenditures and approved budgets, rather than through the Sustainability Fund.</p> <p>With regard to the overall ESG budget, the details of the allocated budget cannot be disclosed.</p>	
No.	Question
2.	One of the resolutions relates to the appointment of auditors. How long has the current auditor been engaged, and does the Company have a policy on auditor rotation in line with best practices?
Answer	
<p>The Company's external auditor has been engaged since the Company's IPO. The Company has an audit partner rotation policy in place, with the current audit partner having served for four years within a seven-year rotation cycle.</p>	
No.	Question
3.	<p>In the Financial Report, on page 70, it is noted that a dividend of 4 sen has been declared as a second interim dividend for FY2025. However, the note indicates that the dividend will be recognised as an appropriation of profits in FY2026.</p> <p>Could the Company clarify the rationale for declaring it as a second interim dividend for FY2025 while the accounting recognition occurs in FY2026?</p>
Answer	
<p>The 4 sen dividend was declared as a second interim dividend for FY2025. However, it was paid in March 2026 and funded from profits generated in FY2026.</p> <p>Accordingly, while the dividend relates to FY2025, its payment and accounting recognition are reflected in FY2026, as disclosed in the relevant note to the financial statements.</p>	

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No.	Question
4.	<p>As disclosed in Note 30 on page 80 of the Financial Statements, the Group's equal shareholding in Pengerang Petrochemical Company (PPC) is accounted for as a joint operation in accordance with MFRS 11. Under the Group's accounting policies, the Group recognises its share of the assets, liabilities, income and expenses relating to joint operations.</p> <p>However, unlike investments in subsidiaries, associates and joint ventures, there is no clear disclosure on joint operations in the Statement of Financial Position, nor is the performance of joint operations separately identifiable in the Statement of Profit or Loss.</p> <p>In this regard, clarification is sought on:</p> <p>a) Where are the financial performance and investment relating to PPC, as a joint operation, reflected in the financial statements, and how may shareholders assess its performance?</p> <p>b) Accordingly, with reference to Note 33 on segment information, which discloses segment results and segment assets, could the Company provide an indication of PPC's attributable portion under segment profit or loss and segment assets for the financial year 2025?</p>
Answer:	
a)	<p>PPC is classified as a joint operation, with the Group holding a 50% interest. Accordingly, the Group recognises its 50% share of PPC's assets, liabilities, income and expenses on a line-by-line basis, rather than accounting for it as an associate or joint venture.</p> <p>The related financial information is therefore incorporated within the Group's Statement of Financial Position and Statement of Profit or Loss, and is aggregated under the Olefins & Derivatives (O&D) segment in the segmental reporting.</p>
b)	<p>With reference to Note 33 on page 86 of the Financial Statements, the Olefins & Derivatives (O&D) segment recorded a segment loss of approximately RM2.3 billion for the financial year. Approximately half of this loss relates to PPC, majority of which is attributable to unrealised foreign exchange translation losses, which are non-cash in nature.</p>
No.	Question
5.	<p>The Group recorded significantly higher losses during the financial year, largely arising from impairment charges. Could the Company clarify the extent to which these impairments are recoverable, or whether they represent permanent losses?</p>
Answer	
<p>The impairment recognised relates primarily to assets at Perstorp in North America. The Group performs quarterly impairment assessments on its assets and joint ventures. Where there are indicators that an asset's expected future cash flows cannot recoup the carrying amount, the matter is escalated to the Board Audit Committee (BAC) and our external auditors for any risk of impairment.</p> <p>In accordance with applicable accounting standards, any reversal of impairment is subject to evidence of sustained improvement in the underlying performance and outlook of the asset. The Group continues to monitor this on a quarterly basis.</p> <p>However, should there be indications that the company can be turned around and the criteria for a reversal of impairment are met, the impairment will be reversed accordingly.</p>	

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No.	Question
6.	<p>You mentioned that most of your feedstock comes from your gas, and that is helping you. But you also have a smaller portion, derived from crude-based feedstock, which you mentioned earlier, is stuck in the Middle East, in Hormuz.</p> <p>a) Now I want to understand whether this situation caused the shutdown. What is the realistic impact on your earnings? Could you tell us, and maybe what's the worst-case situation if this prolongs?</p>
	<p>b) How dire is it going to be? Will your gas site improve it much better, or is it going to bring down your overall for this coming financial year?</p>
Answer	
a)	<p>As an indication, during periods when PPC was not operational, the Group recorded an estimated Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) loss of approximately RM150 million per quarter (excluding exceptional items). This is consistent with the Group's historical experience in prior financial years when PPC was in operation.</p> <p>For the current year, PPC was unable to operate in April and May. However, the Group understands that upstream partners have secured incoming cargoes, which are expected to support the resumption of operations in June. The Group continues to engage closely with its upstream partners to ensure sufficient crude supply to enable PPC to operate on an ongoing basis.</p>
b)	<p>Prior to the interruption, petrochemical margins were relatively thin. However, the supply disruption has resulted in tighter market conditions and price improvements. The Group has continued to operate available capacities, and market conditions have improved compared with the earlier part of the year.</p> <p>With regard to gas-based commodities, prices have increased significantly during the period. The Group has been able to capture part of this upside through a combination of term customer pricing mechanisms aligned with relevant indices, as well as selective participation in spot markets to realise near-term value.</p>
No.	Question
7.	<p>It is noted that the Company monitors foreign shareholdings, which have declined from approximately 10.6% previously to about 6.2% in the current month.</p> <p>In this regard, could the Company share its approach to sustaining investor interest? Are there any initiatives planned for the current financial year to boost shareholder's interest?</p>
Answer	
<p>As part of efforts to enhance foreign shareholding, the Company continues to engage via non-deal roadshows to promote PCG as a strategic long-term investment.</p> <p>These engagements may include key regional markets such as Singapore and Hong Kong, to attract foreign investors.</p>	

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No.	Question
8.	<p>It is noted that the Company incurred higher tax expenses despite reporting significant losses for the financial year.</p> <p>Could the Company explain the reasons for the higher tax expense in a loss-making year and clarify the underlying factors contributing to this discrepancy?</p>
Answer	
<p>From a taxation perspective, certain expenses recognised for accounting purposes are not deductible for tax purposes. For example, foreign exchange losses, while reducing the Group's profit before tax, are not eligible for tax deduction.</p> <p>As a result, the effective tax expense, measured as a percentage of profit before tax, appears higher despite the Group reporting an accounting loss.</p>	
No.	Question
9.	<p>There has been extensive media reporting on developments in the Middle East, including disruptions arising from the ongoing conflict. Given the region's importance to global energy and petrochemical supply chains, and the presence of industry players operating in those markets.</p> <ul style="list-style-type: none"> i. Could the Company share its assessment of the extent to which production capacity in the region has been affected? ii. Could management elaborate on whether the structural overcapacity challenges, may have any favourable impact on market conditions for PCG? iii. Could the Company provide a general outlook on how these developments may influence its earnings per share for the current financial year?
Answer	
<p>We continue to monitor developments closely, with emphasis on how the situation affects trade flows, logistics and product availability, rather than speculating on the extent of physical asset damage.</p> <p>Our assessment is done product-by-product, as impacts differ across value chains. Where supply into Southeast Asia tighten, this may support prices in the near term, even as the industry continues to face structural overcapacity.</p> <p>At this stage, we are not in a position to provide specific quantitative earnings impact, but we will continue to manage the situation prudently and capture opportunities where appropriate.</p>	

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Questions from Shareholders Attending in Person

No.	Question
10.	<p>Based on the current market capitalisation of approximately RM40 billion, how does the Board view the Company's valuation?</p> <p>From management's perspective, is the Company considered undervalued, fairly valued, or overvalued at this level?</p>
Answer	
<p>Our primary focus has always been on business fundamentals. At times, the share price may not fully reflect the underlying value of the Company.</p> <p>While we believe that the intrinsic value of the Company is higher, we do not wish to be distracted by short-term valuation assessments. Instead, we remain focused on reliability, safety, and the execution of our growth projects, including the further development of our speciality chemicals business.</p> <p>Additionally, PCG is currently covered by approximately 20 analysts. Based on available information at Bloomberg, nine analysts have a "buy" recommendation, nine have a "hold" recommendation, and two have a "sell" recommendation.</p> <p>On average, the consensus target price over the next 12 months is approximately RM5.80 per share, which is above the Company's current trading price.</p>	
Question	
11.	<p>At 2024, there was a fatality incident in Labuan, and it was indicated at the time that the investigation was still ongoing. Has the Company since derived learnings from the incident, and could the management share the findings of the investigation?</p>
Answer	
<p>From the investigation, several key lessons were identified, particularly the importance of ensuring full compliance:</p> <ul style="list-style-type: none"> i. Continuous education and training of our staff to ensure that processes and procedures are in place and are strictly adhered to. Where non-compliance occurs, appropriate consequences will be applied. ii. Improvements in the use of audio-visual tools to enhance monitoring of activities on site, enabling earlier intervention where necessary. Most importantly, emphasis has been placed on behavioural reinforcement, to ensure that tasks are carried out correctly at all times, regardless of supervision. <p>Continuous improvements are being implemented. From a technical perspective, lessons learned from the incident have led to enhancements in electrical safety procedures across plants, not only within PCG, but also across other PETRONAS operating units through the sharing of best practices. Our professional engineers were engaged to deliberate and review the findings, to ensure that all relevant lessons were captured.</p> <p>While it is not realistic to expect that such incidents can be completely eliminated, the Company remains committed to continuous improvement. We will continue to monitor and strengthen our HSE practices.</p>	

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Questions from Shareholders Attending in Person

No.	Question
12.	<p>a) Does the board view this downturn as cyclical or structural?</p> <p>b) How is the company repositioning its portfolio, particularly between commodity and specialty chemicals to improve Return on Invested Capital (ROIC) over the next three to five years?</p>
Answer	
<p>a) The petrochemical industry is inherently cyclical in nature. While the current downcycle has been prolonged, it remains a cycle rather than a permanent structural shift. As with previous cycles, industry conditions are expected to improve over time.</p> <p>The key focus for the Group is to ensure that its performance improves in tandem with any industry recovery. The distinction between a cyclical and structural challenge ultimately depends on how companies respond. By strengthening fundamentals such as process efficiency, cost competitiveness and commercial excellence, the Group positions itself to navigate the cycle effectively.</p> <p>In addition, recent developments in West Asia have highlighted the value of the Group's integrated gas-based supply chain. This provides advantages in terms of supply security and cost competitiveness, allowing the Group to manage volatility more resiliently.</p>	
<p>b) That strength is very important because when we speak about the portfolio, we need to expand our horizon to ensure that the portfolio remains resilient, as industry cycles will occur, and that it remains relevant for the future. This is what we refer to as future-proofing.</p> <p>In order to achieve this, particularly in specialty chemicals, we need to nurture and seed the business. At this stage, we are still learning the dynamics within the Specialty Chemicals portfolio.</p> <p>What gives us confidence to do so is the strength of our core business. This is why it is important. It allows us, over time, to selectively push for growth in specialty chemicals, supported by the strength of our core business. This is how we view and manage our portfolio.</p> <p>In addition, we are also considering sustainability, particularly environmental sustainability, and what more can be done in this area. When balancing the portfolios, we look at several aspects.</p> <ul style="list-style-type: none"> i. Are we able to generate value consistently; ii. Is the portfolio resilient and able to withstand industry upcycles and downcycles; and iii. Does it support environmental sustainability, which is an increasing demand for the future. <p>Having a strong core business is therefore critical as we progressively take on more risks in specialty chemicals.</p>	

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Questions from Shareholders Attending in Person

No.	Question
13.	Is there any possibility of impairment for Perstorp Europe, and what is the outlook and visibility for the Perstorp Europe business?
Answer	
<p>With regards to impairment relating to Perstorp, we conduct impairment assessments on a quarterly basis for all our assets, not just Perstorp. Should there be any indication of impairment, the matter would be escalated and highlighted to the BAC and our external auditors.</p> <p>Any decision to recognise an impairment would also require endorsement by both the BAC and the Board.</p> <p>At this point in time, there are no indicators of impairment identified, either for the Perstorp assets or for the goodwill arising from the acquisition of Perstorp.</p>	
No.	Question
14.	What is the outlook on the reliability of feedstock supply to PPC beyond June, over the next six months to one year?
Answer	
<p>Pengerang is facing temporary challenges. However, the Group remains confident in sourcing crude, as several alternative sources have been identified beyond West Asia. In terms of timing, preparations for June have been completed and no issues are anticipated. Work is also ongoing as we move into July.</p> <p>Pengerang is designed to process a variety of crude feedstocks, including those sourced from Africa, Venezuela, the United States and Canada. These alternative sources provide additional flexibility. However, feedstock sourcing is evaluated from an economic perspective. The Group continues to assess market conditions carefully, particularly during periods of volatility, to ensure overall commercial viability.</p>	

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Questions from Shareholders Attending in Person

No.	Question
15.	<p>a) Based on the current market environment and recent performance, can the Company sustainably achieve quarterly revenue above RM7 billion over the next two years, despite rising feedstock and logistics costs, and thereby return to profitability?</p> <p>b) Will you be able to sustain that margin so that in the next two years you will make money?</p> <p>c) Can we optimistically be confident that good times will come, compared to FY2025?</p>
Answer	
	<p>a) Given the current West Asia situation, multiple scenarios have been assessed, as outcomes remain difficult to predict. Based on our scenario planning, if current conditions persist, revenue is expected to improve, driven by higher product prices, which have increased significantly in recent periods.</p> <p>However, there are also concerns that excessively high prices over a prolonged period of time could impact customer demand and market sustainability.</p> <p>For PCG, the key focus remains on cost optimisation and operational efficiency. As mentioned earlier, RM570 million of EBITDA improvement was delivered last year, with continued emphasis on achieving higher plant reliability and yields. The Board continues to place strong focus on performance improvement, including pushing for plant utilisation levels above 90%.</p> <p>At the same time, when market opportunities arise, the Group will seek to capture value where appropriate and deliver benefits to shareholders.</p>
	<p>b) With respect to the outlook over the next two years, unfortunately, there is no certainty, given the evolving global situation. The Group continues to focus on factors within our control. These include optimising plant utilisation rates, securing the best netback by placing volumes with the right customers and optimising costs.</p> <p>By focusing on these three key areas, the Group aims to improve earnings performance rather than solely relying on market movements.</p>
	<p>c) We will continue to focus our efforts to optimise plant utilisation rates, maximise netbacks, and drive cost compression, we are also actively exploring additional value-creation opportunities including selective trading activities.</p>

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Questions from Shareholders Attending in Person

No.	Question
16.	Regarding the Creditors' Reliability Test (CRT), how confident are we about meeting the deadline of end of next year? And what happens if we don't?
Answer	
<p>The Creditors' Reliability Test (CRT) is required because the project is funded under a project financing structure. As part of this financing arrangement, parental guarantees have been provided, with PETRONAS and Aramco both extending parental guarantees to ensure the servicing of the project loans.</p> <p>The primary purpose of the CRT is to enable the release of these parental guarantees. At the same time, the CRT requires certain operational parameters to be met based on design. In some instances, these parameters may not be fully aligned with current margins, which vary across different operating conditions.</p> <p>As a result, there are situations where it may be more prudent to defer the CRT rather than proceed immediately under unfavourable market conditions. The key implication of deferring the CRT is that the parental guarantees remain in place.</p> <p>To date, most individual units have already been tested and have demonstrated performance levels exceeding 100% on a standalone basis. The remaining requirement is to achieve these performance levels concurrently. With a clear pathway identified, a major turnaround is planned towards the end of this year to support stable operations.</p> <p>Based on this, the Group is confident that the CRT can be completed once the decision to proceed is made. However, where operating outside the CRT parameters delivers greater value to shareholders, such considerations will also be taken into account.</p>	

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Questions from Shareholders Attending in Person

No.	Question
17.	<p>I understand, due to the war in West Asia, you have about 10 big ships containing petroleum affected, with some unable to proceed through the route and having to turn back.</p> <p>But two ships already arrived in Malaysia. One arrived last week. Another one is coming on Friday.</p> <p>a) Do all vessels transporting petroleum from the Middle East to Malaysia belong to PETRONAS, or are they operated by a combination of companies such as PETRONAS, Shell, and others? b) Do you outsource petroleum and gas products from Hibiscus? c) Do you have a strong relationship with Hibiscus Petroleum? d) Would the supply of petroleum and gas will be sufficient to override the war in the Middle East? e) Could the Company consider sourcing petroleum from Hibiscus Petroleum, where appropriate, for the benefit of PETRONAS?</p>
Answer	
a)	<p>At present, we have two crude oil shipments. The first vessel, with a capacity of 1.0 million barrels, has already arrived and has been fully loaded. This cargo is 100% owned by PETRONAS.</p> <p>For the second vessel, which has a capacity of 1.5 million barrels, our portion amounts to 500,000 barrels, or approximately one-third of the cargo. The remaining 1.0 million barrels are owned by other offtakers within the region. This arrangement reflects our common practice of sharing cargoes with partners, allowing us to optimise shipping schedules and share transportation costs.</p> <p>At the same time, we are actively sourcing alternative crude supplies from other sources. Based on current plans, from June onwards we expect to have sufficient crude supply to operate PrefChem as planned, with operations continuing into July.</p>
b)	<p>Malaysia produces approximately 350,000 barrels per day. Of this, about 220,000 to 230,000 barrels per day belong to PETRONAS, while the remainder is held by other Production Sharing Contract (PSC) partners including Hibiscus.</p>
c)	<p>Hibiscus Petroleum typically market their crude of their equity through PETRONAS.</p>
d)	<p>Gas supply is sufficient.</p> <p>For crude oil, PETRONAS continues to source additional crude supplies from regions such as Latin America and Africa to supplement local production.</p>
e)	<p>Their production volumes are relatively small. While they do have access to other crude sources, the quantities involved remain limited.</p>
No.	Question
18.	<p>Are there any new directors in your Board appointed in the last three years?</p>
Answer	
<p>Three new directors were appointed in the last three years:</p> <p>i) Mazuin bin Ismail (Appointed on 1 January 2024) ii) Abang Yusuf bin Abang Puteh (Appointed on 1 January 2025) iii) Luciano Tarcisio Poli (Appointed on 1 November 2025)</p>	

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Questions from Shareholders Attending Virtually

No.	Question
1.	When will PChem be expected to breakeven with the much higher chemical product prices due to the current Iran conflict?
Answer:	
<p>The recent West Asia conflict has lifted chemical and energy prices, which supports PCG's revenue and earnings in the short term.</p> <p>Any margin upside is likely temporary, and is partly offset by higher feedstock, energy and logistics costs, while the industry remains in a structural oversupply environment.</p> <p>We continue to focus on plant reliability improvement, cost optimisation and commercial excellence to enhance our resilience and sustain our competitiveness.</p>	
No.	Question
2.	Please ensure greater value creation for us, especially for women, as the Company continues to increase female representation overall. This could also support broader stakeholder interests and inclusivity efforts.
Answer:	
<p>PCG recognises that creating sustainable value goes beyond financial returns and includes how we support our people and broader stakeholders, including women.</p> <p>While returns to shareholders are governed by our dividend policy and financial performance, we believe that a more inclusive organisation, with a diverse and engaged workforce, will enhance productivity, innovation and operational stability.</p> <p>This supports sustainable value creation for all stakeholders over the long term.</p>	
No.	Question
3.	What is the expected performance of the group moving into 2026?
Answer:	
<p>In 2026, we expect the operating environment to remain challenging and volatile, with continued global oversupply, geopolitical uncertainty and uneven demand recovery. While recent geopolitical developments have provided some near-term support to product prices, overall market conditions are expected to stay cautious.</p> <p>We remain focused on disciplined execution, plant reliability improvement, cost optimisation, and commercial excellence, while continuing to strengthen portfolio resilience and long-term value creation.</p>	

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Questions from Shareholders Attending Virtually

No.	Question
4.	What accountability measures are in place if management fails to meet the stated targets or Key Performance Indicator (KPI) within the short-term period?
Answer:	
<p>The Board takes management accountability very seriously. Clear targets and KPIs are established as part of the Group's performance management framework. These are subject to regular monitoring and oversight by the Board.</p> <p>Where performance falls short, this is addressed through performance reviews and corrective management actions. This framework ensures that management remains accountable, decisions are disciplined, and actions taken are in the best long-term interests of shareholders while maintaining strong governance standards.</p>	
No.	Question
5.	What benefits does the company stand to gain amid the current geopolitical conflict?
Answer:	
<p>Supply disruptions arising from the West Asia conflict have led to higher petrochemical product prices, which supports our revenue and earnings in the near term.</p> <p>Additionally, as our operations are predominantly based on gas feedstock, PCG benefits from access to secure domestic feedstock supply, which places us in a more resilient position.</p> <p>That said, these benefits are partly offset by higher feedstock, energy and logistics costs. Our priority is to manage margins, ensure supply reliability for customers, and preserve long-term value.</p>	
No.	Question
6.	<p>Pengerang Integrated Complex</p> <p>a) What assets do we have in Pengerang?</p> <p>b) How much has been invested?</p> <p>c) What is the current operational status?</p> <p>d) There are reports of cost overruns, delays, low utilisation pre-war, and current disruptions. Please comment.</p> <p>e) Is there any risk of impairment?</p>
Answer:	
<p>a) PCG owns 50% of PPC which consists of HDPE, LLDPE, Polypropylene and Ethylene Glycols plants. We also own 100% of PC Isononanol Sdn. Bhd.</p>	
<p>b) The investment cost in Pengerang is approximately USD 3 billion of which we have 50% of equity.</p>	
<p>c) PPC is currently in shutdown mode due to the unavailability of feedstock. Following the planned resumption of feedstock supply from the refinery in June 2026, PPC intends to restart the facilities. The plant utilisation rate will be optimised based on market dynamics and economic viability.</p>	
<p>d) Prior to the West Asia conflict, weak global demand, margin pressures, and industry overcapacity did not support operating the complex at high utilisation rates. As such, operating rates were managed based on economic viability rather than volume.</p>	
<p>e) In 2025, we recognised impairment at individual PPC company level. Based on the assumptions used in measuring the risks, no impairment provisions are currently required at PCG Group level.</p>	

Questions from Shareholders Attending Virtually

No.	Question
7.	PCG operates 21 manufacturing sites globally (page 6), with Pengerang relying heavily on Middle East feedstock. What is the current level of supply disruption, utilisation rate, and expected financial impact for Pengerang, Perstorp, and other sites?
Answer:	
<p>PPC is currently in shutdown mode due to the unavailability of feedstock.</p> <p>Following the planned resumption of feedstock supply from the refinery in June 2026, PPC intends to restart the facilities.</p> <p>The plant utilisation rate will be optimised based on market dynamics and economic viability.</p>	
No.	Question
8.	Dear Sir, when will the share price reach double digits. Thank you.
Answer:	
<p>Share price movements are influenced by a range of factors. These include broader market conditions, industry cycles, macroeconomics developments, investor sentiment and risk appetite.</p> <p>Our focus remains on strengthening fundamentals through disciplined execution, operational efficiency, cost competitiveness and long-term value creation.</p>	
No.	Question
9.	<p>Investments in Pengerang and Perstorp Group were expected to drive growth and margins.</p> <p>However, results have been weaker and not as expected, with impairment recorded. What went wrong, and how will performance improve?</p>
Answer:	
<p>The investments in Pengerang and Perstorp were made for long-term growth, however, FY2025 performance has been affected by challenging market conditions.</p> <p>At Pengerang, weak petrochemical markets, global oversupply, feedstock issues and foreign exchange volatility have weighed on earnings, while high depreciation and financing costs increase the adverse impact during the downturn.</p> <p>For Perstorp, the impairment reflects weaker demand, pricing pressure and intense competition, which delayed the expected returns.</p> <p>Going forward, we are focused on operating assets based on market viability, tightening cost and operational discipline, and strengthening commercial and portfolio optimisation, especially in higher-value specialty chemicals.</p>	

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Questions from Shareholders Attending Virtually

No.	Question
10.	Kertih Integrated Petrochemical Complex (KIPC) scheduled turnaround was delayed from 2025 to Q2 2026 (page 12). a) Can management confirm whether KIPC will benefit from stable and lower-cost feedstock during this oil disruption period?
	b) What is the expected plant turnaround or start-up timeline?
	c) Given current market conditions, will the delayed turnaround reduced potential benefits or returns?
Answer:	
a)	Our plants in Kertih are mainly based on gas feedstock that is sourced domestically through long-term supply arrangements with PETRONAS. This provides inherent resilience against global supply disruptions.
b)	The statutory turnaround in KIPC commenced in end-March 2026 and is expected to take around two months to resume production.
c)	Apart from meeting regulatory requirements, the activities undertaken during the turnaround are expected to enhance the performance of the affected assets, including improving plant reliability, enabling us to optimise production and reduce unit costs.
No.	Question
11.	Given the current geopolitical conflict where PCG is having leverage in fertiliser market, will PCG overturn the lose money into profitable condition for group level for coming financial statement year?
Answer:	
<p>The current geopolitical situation has created near-term tightness and pricing support in the chemical market. In the short term, we expect this increase in product prices will improve PCG's revenue and earnings, but we are mindful on the impact of increased feedstock and logistics costs to our operations.</p> <p>We are balancing our sales volume commitment to customers to ensure long-term competitiveness and supply availability within the region. In addition, we are actively mitigating market risk while positioning ourselves to capture potential margin upside, where possible.</p> <p>PCG continues to reinforce disciplined execution to maximise earnings and safeguard resilience. At the same time, we continue to focus on plant reliability improvement, cost optimisation, and commercial excellence to sustain our competitiveness.</p>	

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Questions from Shareholders Attending Virtually

No.	Question
12.	China, Korea, and Japan are curbing excess petrochemical capacity. a) Have there been any significant reductions? b) How has the Iran war affected these efforts?
Answer:	
<p>While several petrochemical producers have taken steps to respond to weak margins by curtailing, or retiring older and less efficient units, these are largely offset by new, large-scale and more efficient capacities coming onstream, resulting in persistent global oversupply.</p> <p>The West Asia conflict has temporarily accelerated curtailments, due to feedstock shortages, higher naphtha costs and logistics disruptions linked to the Strait of Hormuz. Several crackers have cut production rates or declared force majeure, creating short-term supply tightening.</p> <p>However, this effect is cyclical, not structural. Once logistics disruptions normalise, some of these plants are expected to resume operations, and oversupply pressures are likely to re-emerge.</p>	

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