PETRONAS CHEMICALS GROUP BERHAD
Quarterly Report
For Second Quarter Ended 30 June 2026

PETRONAS CHEMICALS GROUP BERHAD 199801003704 (459830-K)

QUARTERLY REPORT

FOR SECOND QUARTER ENDED 30 JUNE 2026

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 2026 which should be read in conjunction with the accompanying explanatory notes on pages 8 to 23.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Individual quarter ended 30 June		Cumulative quarter ended 30 June	
In RM Mil	**Note**	**2026**	**2025**	**2026**	**2025**
Revenue	**A9.1**	**7,903**	6,437	**14,918**	14,093
Cost of revenue		**(6,649)**	(5,757)	**(12,512)**	(12,359)
Gross profit		**1,254**	680	**2,406**	1,734
Selling and distribution expenses		**(470)**	(494)	**(970)**	(1,013)
Administration expenses		**(287)**	(348)	**(598)**	(613)
Other expenses		**(99)**	(1,023)	**(104)**	(1,215)
Other income		**261**	252	**575**	377
Operating profit/(loss)	**B4**	**659**	(933)	**1,309**	(730)
Financing costs		**(75)**	(88)	**(155)**	(176)
Share of loss after tax of equity-accounted associates and joint ventures		**(1)**	(27)	**(6)**	(55)
Profit/(Loss) before taxation		**583**	(1,048)	**1,148**	(961)
Tax expense	**B5**	**(138)**	1	**(276)**	(68)
PROFIT/(LOSS) FOR THE PERIOD		**445**	(1,047)	**872**	(1,029)
Profit/(Loss) attributable to:					
Shareholders of the Company		**414**	(1,081)	**815**	(1,099)
Non-controlling interests		**31**	34	**57**	70
PROFIT/(LOSS) FOR THE PERIOD		**445**	(1,047)	**872**	(1,029)
Basic earnings/(loss) per share attributable to shareholders of the Company:					
Based on ordinary shares issued (sen)	**B13**	**5**	(14)	**10**	(14)

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

QUARTERLY REPORT
FOR SECOND QUARTER ENDED 30 JUNE 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
In RM Mil	**2026**	**2025**	**2026**	**2025**
PROFIT/(LOSS) FOR THE PERIOD	**445**	(1,047)	**872**	(1,029)
Other comprehensive (loss)/income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability	**—**	(1)	**(2)**	2
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences	**(118)**	(296)	**(599)**	679
Share of other comprehensive profit/(loss) of equity-accounted associates and joint ventures	**13**	(69)	**10**	(72)
	(105)	(365)	**(589)**	607
Total other comprehensive (loss)/income for the period	**(105)**	(366)	**(591)**	609
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**340**	(1,413)	**281**	(420)
Total comprehensive income/(loss) attributable to:				
Shareholders of the Company	**310**	(1,446)	**225**	(489)
Non-controlling interests	**30**	33	**56**	69
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**340**	(1,413)	**281**	(420)

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 2026	As at 31 December 2025
ASSETS			
Property, plant and equipment		27,468	28,106
Investments in associates and joint ventures		1,145	1,114
Intangible assets		8,912	9,492
Long-term receivables	A15	969	902
Retirement benefits		21	20
Deferred tax assets		602	704
TOTAL NON-CURRENT ASSETS		39,117	40,338
Trade and other inventories		4,004	3,993
Trade and other receivables	B7	3,916	3,655
Tax recoverable		84	83
Cash and cash equivalents		10,708	9,621
TOTAL CURRENT ASSETS		18,712	17,352
TOTAL ASSETS		57,829	57,690
EQUITY			
Share capital		8,871	8,871
Reserves		27,049	27,144
Total equity attributable to shareholders of the Company		35,920	36,015
Non-controlling interests		1,363	1,365
TOTAL EQUITY		37,283	37,380
LIABILITIES			
Borrowings	B8	1,971	2,004
Lease liabilities		1,586	1,692
Provisions		355	350
Trade payables	A16	833	815
Retirement benefits		163	172
Deferred tax liabilities		2,192	2,253
Other long-term liabilities		921	970
TOTAL NON-CURRENT LIABILITIES		8,021	8,256
Trade and other payables	A16	10,670	10,222
Borrowings	B8	1,399	1,460
Lease liabilities		297	293
Taxation		159	79
TOTAL CURRENT LIABILITIES		12,525	12,054
TOTAL LIABILITIES		20,546	20,310
TOTAL EQUITY AND LIABILITIES		57,829	57,690
Net assets per share attributable to shareholders of the Company (RM)		4.49	4.50

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

In RM Mil	*Attributable to shareholders of the Company*			
	Non-distributable			
	Share Capital	**Foreign Currency Translation Reserve**	**Merger Reserve**	**Other Reserves**
Cumulative quarter ended 30 June 2026				
At 1 January 2026	8,871	1,477	(204)	1,865
Foreign currency translation differences	–	(598)	–	–
Share of other comprehensive profit of equity-accounted associates and joint ventures	–	–	–	10
Remeasurement of defined benefit liability	–	–	–	(2)
Total other comprehensive (loss)/income for the period	–	(598)	–	8
Profit for the period	–	–	–	–
Total comprehensive (loss)/ income for the period	–	(598)	–	8
Transfer from retained profits upon redemption of redeemable preference shares of a subsidiary	–	–	–	175
Dividends to shareholders of the Company (Note A8)	–	–	–	–
Total transactions with owners of the Group	–	–	–	175
Balance at 30 June 2026	8,871	879	(204)	2,048

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	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	–	–	–	–
Total transactions with owners of the Group	–	–	–	–
Balance at 30 June 2025	8,871	1,975	(204)	1,455

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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)

In RM Mil	***Attributable to shareholders of the Company***			
	Distributable			
	Retained Profits	**Total**	**Non-controlling Interests**	**Total Equity**
Cumulative quarter ended 30 June 2026				
At 1 January 2026	24,006	36,015	1,365	37,380
Foreign currency translation differences	—	(598)	(1)	(599)
Share of other comprehensive profit of equity-accounted associates and joint ventures	—	10	—	10
Remeasurement of defined benefit liability	—	(2)	—	(2)
Total other comprehensive (loss)/income for the period	—	(590)	(1)	(591)
Profit for the period	815	815	57	872
Total comprehensive (loss)/ income for the period	815	225	56	281
Transfer from retained profits upon redemption of redeemable preference shares of a subsidiary	(175)	—	(58)	(58)
Dividends to shareholders of the Company (Note A8)	(320)	(320)	—	(320)
Total transactions with owners of the Group	(495)	(320)	(58)	(378)
Balance at 30 June 2026	24,326	35,920	1,363	37,283

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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	(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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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

	Cumulative quarter ended 30 June	
In RM Mil	**2026**	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,148	(961)
Adjustments for:		
- Amortisation of deferred income	(44)	(44)
- Amortisation of intangible assets	86	88
- Depreciation of property, plant and equipment	1,189	1,131
- Financing costs	155	176
- Finance (income)/expense	(19)	114
- Gain on disposal of investment in an associate	(15)	—
- Gain on disposal of investment in a subsidiary	(47)	—
- Gain on disposal of a customer contract	(27)	—
- Interest income	(155)	(174)
- Impairment losses on property, plant and equipment	88	431
- Share of loss after tax of equity-accounted associates and joint ventures	6	55
- Unrealised (gain)/loss on foreign exchange	(37)	594
- Other non-cash items	117	101
Operating profit before changes in working capital	2,445	1,511
Change in trade and other inventories	(126)	(162)
Change in trade and other receivables	(368)	715
Change in trade and other payables	377	(812)
Cash generated from operations	2,328	1,252
Interest income received	155	174
Taxation paid	(107)	(126)
Net cash generated from operating activities	2,376	1,300
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a non-controlling interest	(11)	—
Dividends received from an associate and joint ventures	7	12
Investments in an associate and a joint venture	(38)	(79)
Payment of earn out for a subsidiary	—	(94)
Proceeds from disposal of property, plant and equipment	—	1
Proceeds from disposal of investment in an associate	15	—
Proceeds from disposal of investment in a subsidiary	64	—
Proceeds from disposal of a customer contract	27	—
Purchase of property, plant and equipment	(826)	(899)
Net cash used in investing activities	(762)	(1,059)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to:		
- PETRONAS	(206)	(154)
- others (third parties)	(114)	(86)
Drawdown of:		
- term loan	—	149
- revolving credit	5,293	3,489
Payment of lease liabilities:		
- principal	(90)	(92)
- interest	(36)	(37)
Repayment of revolving credit	(5,255)	(3,134)
Repayment of term loans:		
- principal	(72)	(223)
- interest	(56)	(72)
Net cash used in financing activities	(536)	(160)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In RM Mil	**Cumulative quarter ended 2026**	**Cumulative quarter ended 2025**
Net cash flows from operating, investing and financing activities	**1,078**	81
Effect of foreign currency translation differences	**27**	(32)
Net increase in cash and cash equivalents	**1,105**	49
Net foreign exchange differences on cash held	**(18)**	(267)
Cash and cash equivalents at beginning of the period	**9,621**	9,926
Cash and cash equivalents at end of the period	**10,708**	9,708

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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 2025. 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 2025.

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 2026.

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 2025.

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

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures (Classification and Measurement of Financial Instruments)*

Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 9 *Financial Instruments*, MFRS 10 *Consolidated Financial Statements* and MFRS 107 *Statement of Cash Flows (Annual Improvements to MFRS Accounting Standards - Volume 11)*

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 2025 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 2025 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 4 sen per ordinary share, amounting to RM320 million in respect of the financial year ended 31 December 2025 to shareholders on 18 March 2026.

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

In RM Mil	2026	2025	2026	2025	2026	2025
					Cumulative quarter ended 30 June	
	Third-parties		Inter-segment		Gross total	
Olefins and Derivatives	**5,671**	6,158	**–**	–	**5,671**	6,158
Fertilisers and Methanol	**6,307**	4,761	**–**	–	**6,307**	4,761
Specialties	**2,913**	3,147	**–**	–	**2,913**	3,147
Others	**27**	27	**18**	22	**45**	49
Total	**14,918**	14,093	**18**	22	**14,936**	14,115

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

In RM Mil	Cumulative quarter ended 30 June 2026	2025
Olefins and Derivatives	**(827)**	(1,026)
Fertilisers and Methanol	**1,681**	934
Specialties	**185**	(444)
Others[2]	**(167)**	(493)
Total	**872**	(1,029)

During the period, the Group's investment holding company has provided for depreciation & amortisation of the tangible & intangible assets impact amounting to RM112 million (2025: RM120 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 RM2 million (2025: RM194 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 period under review. As at 30 June 2026, 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 2025.

A12. CHANGES IN COMPOSITION OF THE GROUP

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

[1] Included within profit/(loss) for the period for Olefins and Derivatives, Fertilisers and Methanol, Specialties and Others segments are depreciation and amortisation expenses amounting to RM472 million (2025: RM427 million), RM518 million (2025: RM476 million), RM158 million (2025: RM183 million) and RM127 million (2025: RM133 million) respectively.
[2] Includes profit/(loss) from non-reportable segments and unallocated assets.

A13. 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 2026**	**As at 31 December 2025**
Property, plant and equipment:		
Approved and contracted for	**534**	912
Approved but not contracted for	**2,298**	1,905
Total	**2,832**	2,817

A14. GOODWILL

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

In RM Mil	**As at 1 January 2026**	**Foreign currency translation**	**As at 30 June 2026**
Goodwill	3,370	(176)	3,194

A15. LONG-TERM RECEIVABLES

In RM Mil	**As at 30 June 2026**	**As at 31 December 2025**
Trade receivable	**14**	14
Other receivables and prepayments	**955**	888
	969	902

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.

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

A16. TRADE AND OTHER PAYABLES

In RM Mil	**As at 30 June 2026**	**As at 31 December 2025**
Non-current liabilities		
Trade payables	**833**	815
Current liabilities		
Trade and other payables	**10,670**	10,222

The Group and the Company via its joint operation entity has arrangements on trade payables amounting to RM1,500 million (2025: RM1,501 million), which resulted in an adjustment of timing for payments of the balances. The trade payables were fair valued on initial measurement and is subjected to periodic accretion of interest expense over the period of the arrangement.

A17. FAIR VALUE INFORMATION

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

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

A17. FAIR VALUE INFORMATION (continued)

As at 30 June 2026
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	–	9	–	9	96
Financial liabilities					
Forward foreign exchange contracts					
- within 1 year	–	(4)	–	(4)	619

As at 31 December 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	–	5	–	5	506
Financial liabilities					
Forward foreign exchange contracts					
- within 1 year	–	(7)	–	(7)	506

PART B – OTHER EXPLANATORY NOTES

B1. REVIEW OF GROUP PERFORMANCE

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

In RM Mil	2026	2025	2026	2025	2026	2025	2026	2025
	Individual quarter ended 30 June							
	Group		Olefins and Derivatives		Fertilisers and Methanol		Specialties	
Revenue	**7,903**	6,437	**2,727**	2,645	**3,658**	2,263	**1,508**	1,514
Profit/(Loss) after tax	**445**	(1,047)	**(426)**	(671)	**887**	307	**63**	(302)
EBITDA[3]	**1,318**	395	**22**	(251)	**1,174**	556	**140**	153

PCG Group recorded lower plant utilisation rate of 73% as compared to 77% in the corresponding quarter due to higher statutory turnaround and plant maintenance activities undertaken at several facilities in Kertih Integrated Petrochemicals Complex and urea plant in Bintulu.

Revenue was higher by RM1.5 billion or 23% at RM7.9 billion mainly due to improved average product prices, partially offset by lower sales volume and strengthening of Ringgit Malaysia against US Dollar.

EBITDA was stronger by RM923 million at RM1.3 billion mainly contributed by better average product spreads.

The Group recorded profit after tax of RM445 million in line with higher EBITDA, as compared to loss after tax of RM1.0 billion in corresponding quarter which was mainly due to unfavourable net foreign exchange impact and impairment of assets at Perstorp.

Olefins and Derivatives

The segment's operational performance recorded lower plant utilisation rate of 56% as compared to 86% in the corresponding quarter due to higher statutory turnaround and plant maintenance activities undertaken at several facilities in Kertih Integrated Petrochemicals Complex.

Revenue was higher by RM82 million or 3% at RM2.7 billion, primarily attributed to improved average product prices, partially offset by lower sales volume.

EBITDA increased by RM273 million at RM22 million as compared to negative EBITDA of RM251 million in corresponding quarter mainly due to better average product spreads.

Loss after tax was lower by RM245 million or 37% at RM426 million in line with increased EBITDA.

Fertilisers and Methanol

The segment recorded higher plant utilisation rate of 80% as compared to 73% in the corresponding quarter due to improved plant performance despite planned turnaround activities at urea plant in Bintulu.

Revenue was higher by RM1.4 billion or 62% at RM3.7 billion, primarily driven by improved average product prices, partially offset by strengthening of Ringgit Malaysia against US Dollar.

EBITDA was stronger by RM618 million at RM1.2 billion mainly due to better average product spreads. Profit after tax increased by RM580 million at RM887 million in line with stronger EBITDA.

[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)

Specialties

The segment's revenue was comparable at RM1.5 billion.

EBITDA was lower by RM13 million or 9% at RM140 million, mainly attributable to the sale of emission rights in the corresponding quarter. Excluding the gain from emission rights sales, the adjusted EBITDA was higher due to improved contribution margin and cost optimisation initiatives.

The segment recorded profit after tax of RM63 million as compared to loss after tax of RM302 million in corresponding quarter mainly due to improved contribution margin and favourable net foreign exchange impact. In addition, there was impairment of assets at Perstorp in the corresponding quarter.

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

								Cumulative quarter ended 30 June
	2026	2025	2026	2025	2026	2025	2026	2025
In RM Mil		Group		Olefins and Derivatives		Fertilisers and Methanol		Specialties
Revenue	**14,918**	14,093	**5,671**	6,158	**6,307**	4,761	**2,913**	3,147
Profit/(Loss) after tax	**872**	(1,029)	**(827)**	(1,026)	**1,681**	934	**185**	(444)
EBITDA[4]	**2,493**	1,287	**(69)**	(294)	**2,263**	1,448	**338**	205

PCG Group recorded a comparable plant utilisation rate of 85%.

Revenue was higher by RM825 million or 6% at RM14.9 billion due to improved average product prices, partially offset by strengthening of Ringgit Malaysia against US Dollar.

EBITDA was stronger by RM1.2 billion or 94% at RM2.5 billion mainly due to better average product spreads, and higher contribution from joint operation entity and Specialties segment.

The Group recorded profit after tax of RM872 million in line with stronger EBITDA, as compared to loss after tax of RM1.0 billion in the corresponding period which was mainly due to unrealised foreign exchange losses and impairment of assets at Perstorp.

Olefins and Derivatives

The segment recorded lower plant utilisation rate of 74% as compared to 86% in the corresponding period mainly due to higher statutory turnaround and plant maintenance activities undertaken at several facilities in Kertih Integrated Petrochemicals Complex and MTBE plant in Gebeng.

Revenue declined by RM487 million or 8% at RM5.7 billion primarily driven by lower sales volume and strengthening of Ringgit Malaysia against US Dollar, partially offset by improved average product prices.

Negative EBITDA reduced by RM225 million or 77% at RM69 million mainly contributed by better average product spreads.

The segment recorded lower loss after tax by RM199 million or 19% at RM827 million in line with improved EBITDA.

[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.

B1. REVIEW OF GROUP PERFORMANCE (continued)

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

Fertilisers and Methanol

The segment operational performance recorded higher plant utilisation rate of 92% as compared to 85% in corresponding period mainly due to better plant performance resulting in higher production volume.

The segment recorded higher revenue by RM1.5 billion or 33% at RM6.3 billion mainly due to improved average product prices and sales volume, partially offset by strengthening of Ringgit Malaysia against US Dollar.

EBITDA was stronger by RM815 million or 56% at RM2.3 billion mainly due to better average product spreads. Profit after tax increased by RM747 million or 80% at RM1.7 billion in line with stronger EBITDA.

Specialties

The segment's revenue declined by RM234 million or 7% at RM2.9 billion due to lower sales volume, partially offset by improved average product prices.

EBITDA increased by RM133 million or 65% at RM338 million mainly driven by improved contribution margin, higher gains from the sale of emission rights and cost optimisation initiatives. The segment recorded profit after tax of RM185 million as compared to loss after tax of RM444 million in the corresponding period, in line with increased EBITDA and favourable net foreign exchange impact.

(c) Variation of results against the preceding quarter

In RM Mil	Individual quarter ended 30 June 2026	31 March 2026
Revenue	7,903	7,015
Profit after tax	445	427
EBITDA[5]	1,318	1,175

PCG Group recorded lower plant utilisation rate of 73% as compared to 97% in the preceding quarter due to higher statutory turnaround and plant maintenance activities undertaken at several facilities in Kertih Integrated Petrochemicals Complex and urea plant in Bintulu.

Revenue was higher by RM888 million or 13% at RM7.9 billion mainly due to improved average product prices, partially offset by lower sales volume.

EBITDA increased by RM143 million or 12% at RM1.3 billion, mainly due to better average product spreads. The Group recorded higher profit after tax at RM445 million in line with increased EBITDA, partially offset by impairment of project-in-progress.

(d) Highlight on consolidated statement of financial position

In RM Mil	As at 30 June 2026	As at 31 December 2025
Total assets	57,829	57,690
Total equity	37,283	37,380
ROE (%)	(0.6)	(5.7)

The Group's total assets were comparable at RM57.8 billion.

[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	**2026**	**2025**
Net cash generated from operating activities	**2,376**	1,300
Net cash used in investing activities	**(762)**	(1,059)
Net cash used in financing activities	**(536)**	(160)

Net cash generated from operating activities improved by RM1.1 billion or 83% at RM2.4 billion in line with profit generated during the period.

Net cash used in investing activities for the period declined by RM297 million or 28% at RM762 million primarily due to lower purchase of property, plant and equipment.

Net cash used in financing activities for the period increased by RM376 million at RM536 million mainly due to higher net repayment of revolving credit facilities.

B2. COMMENTARY ON PROSPECTS

The operating environment in 2026 is anticipated to remain challenging, driven by geopolitical uncertainties, evolving trade policies and supply-demand imbalances. The Group will continue to closely monitor these developments and implement appropriate measures to manage its portfolio and operational performance.

The Olefins & Derivatives market is expected to remain stable, with pricing primarily influenced by feedstock cost movements and producer operating rates amid continued regional oversupply and competitive market conditions.

The Fertilisers market remains bullish, supported by global food security requirements, tight supply conditions and sustained import demand from key markets such as India and Australia, while the methanol market is expected to remain stable on the back of balanced supply-demand fundamentals despite potential fluctuations in regional demand.

The Group remains cautious on the Specialties segment given subdued construction and automotive end markets, while consumer goods demand shows modest growth.

B3. PROFIT FORECAST OR PROFIT GUARANTEE

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

B4. OPERATING PROFIT/(LOSS)

In RM Mil	Individual quarter ended 30 June 2026	Individual quarter ended 30 June 2025	Cumulative quarter ended 30 June 2026	Cumulative quarter ended 30 June 2025
Included in profit/(loss) for the period are the following charges:				
Amortisation of intangible assets	**43**	45	**86**	88
Depreciation of property, plant and equipment	**599**	563	**1,189**	1,131
Finance expense	**—**	128	**—**	128
Impairment losses on property, plant and equipment	**88**	431	**88**	431
Inventories:				
- write-down to net realisable value	**172**	99	**28**	4
- written off	**—**	22	**—**	22
Net loss on foreign exchange	**—**	446	**—**	638
and credits:				
Interest income	**81**	87	**155**	174
Amortisation of deferred income	**22**	22	**44**	44
Net gain on foreign exchange	**82**	—	**60**	—
Gain on disposal of investment in an associate	**—**	—	**15**	—
Gain on disposal of investment in a subsidiary	**—**	—	**47**	—

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.

PART B – OTHER EXPLANATORY NOTES (continued)

B5. TAX EXPENSE

In RM Mil	Individual quarter ended 30 June 2026	Individual quarter ended 30 June 2025	Cumulative quarter ended 30 June 2026	Cumulative quarter ended 30 June 2025
Current tax expenses				
Current period tax	**85**	55	**178**	122
	85	55	**178**	122
Deferred tax expenses				
Origination and reversal of temporary differences	**53**	(56)	**98**	(54)
	53	(56)	**98**	(54)
	138	(1)	**276**	68

The Group's effective tax rates for the individual and cumulative quarter ended 30 June 2026 are 24% 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 effective tax rate for the individual quarter ended 30 June 2026 is comparable to Malaysian income tax rate of 24% due to unrecognised deferred tax assets on tax losses, partially offset by lower tax rate benefited from GIFT incentive and lower non-deductible expenses in relation to unrealised foreign exchange gains.

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 2025.

B7. TRADE AND OTHER RECEIVABLES

(a) Details of Group trade and other receivables

In RM Mil	As at 30 June 2026	As at 31 December 2025
Trade receivables:		
– Third party	**2,596**	2,549
– Associates and joint ventures	**206**	88
– Related companies	**129**	94
Other receivables	**985**	924
Total	**3,916**	3,655

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

(b) Ageing analysis of trade receivables

In RM Mil	As at 30 June 2026	As at 31 December 2025
Current	**2,792**	2,624
Past due 1 to 30 days	**111**	114
Past due 31 to 60 days	**11**	6
Past due more than 60 days	**31**	1
Total	**2,945**	2,745

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.

PART B – OTHER EXPLANATORY NOTES (continued)

B8. BORROWINGS

	Denominated currency	*In denominated currency* As at 30 June 2026 Mil	As at 31 December 2025 Mil	*In presentation currency* As at 30 June 2026 Mil	As at 31 December 2025 RM Mil
Non-current					
Term loans - secured	USD	281	290	1,139	1,174
Term loan - unsecured	USD	171	169	693	686
Term loans - unsecured	EUR	30	30	139	144
				1,971	2,004
Current					
Term loans - secured	USD	19	25	77	101
Term loans - unsecured	CNY	—	15	—	9
Term loans - unsecured	EUR	1	1	3	4
Revolving credit - unsecured	SEK	2,778	2,690	1,158	1,185
Revolving credit - unsecured	USD	38	38	153	153
Revolving credit - unsecured	EUR	2	2	8	8
				1,399	1,460

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 were two CNY unsecured term loans which bore interest rates of 2.60% and 3.00% per annum respectively. The loans were fully repaid during the period.

The SEK unsecured revolving credits bear interests ranging from 2.73% to 3.00% per annum.

The USD unsecured revolving credits bear interests ranging from 4.46% to 4.72% per annum.

The EUR unsecured revolving credit bears interest rate of 3.22% 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 2025, 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 2025.

B12. DIVIDENDS

The Directors of the Company have declared first interim single tier dividend of 6 sen per ordinary share, amounting to RM480 million in respect of the financial year ending 31 December 2026 (2025: first interim single tier dividend of 3 sen per ordinary share, amounting to RM240 million in respect of the financial year ended 31 December 2025).

The dividend is payable on 15 September 2026 to depositors registered in the Records of Depositors at the close of business on 7 September 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 7 September 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.

B13. BASIC EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) 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	**2026**	**2025**	**2026**	**2025**
Profit/(Loss) for the period attributable to shareholders of the Company	**414**	(1,081)	**815**	(1,099)
In millions of shares				
Number of ordinary shares issued	**8,000**	8,000	**8,000**	8,000
In sen				
Basic earnings/(loss) per share	**5**	(14)	**10**	(14)

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 2026	31 December 2025	30 June 2025	30 June 2026	31 December 2025	30 June 2025
USD/MYR						
Average rate	4.0008	4.1547	4.3089	3.9824	4.2844	4.3795
Closing rate	4.0510	4.0530	4.2290	4.0510	4.0530	4.2290
EUR/MYR						
Average rate	4.6490	4.8347	4.8857	4.6455	4.8345	4.7828
Closing rate	4.6246	4.7615	4.9555	4.6246	4.7615	4.9555
SEK/MYR						
Average rate	0.4267	0.4415	0.4457	0.4304	0.4370	0.4313
Closing rate	0.4168	0.4406	0.4458	0.4168	0.4406	0.4458

By order of the Board

Cik Azizahwati Ishak
MAICSA 7060684
SSM Practising Certificate No. 202008002944

Hazleena Hamzah
LS0010278
SSM Practising Certificate No. 201908001643

Company Secretaries

Kuala Lumpur
19 August 2026